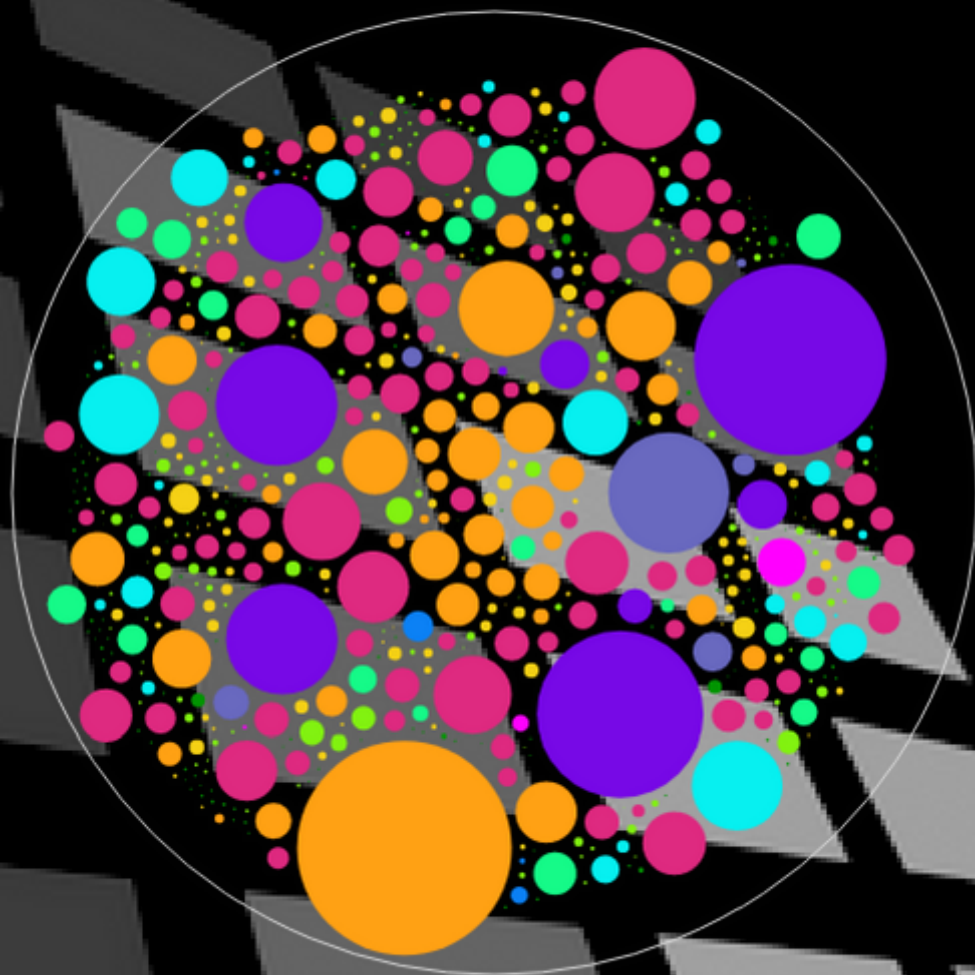


AUSTRALIAN STARTUP &
YOUNG TECHNOLOGY COMPANY

FUNDING REPORT 2017/18



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Executive Summary

Techboard operates Australia's largest directory of startups and young tech companies (with now over 2800 company profiles) and monitors traction and growth metrics on these companies, with a special focus on a broad range of funding events. This enables Techboard to produce the most comprehensive funding reports ever produced in Australia.

Over the course of 2017/18 Techboard has identified and analysed 736 funding events from Australian startup and young tech companies totalling just over \$3.5 billion Australian Dollars. This Report outlines the findings from that analysis.

This report identifies **three major sources of funding utilised by for Australia's startups and young tech companies** as being public funding via the stock-market, private investment including venture capital investment and debt financing each of which account for around \$1b of funding.

The **most significant funding source** was public investment with \$1.075 either by listing (both via initial public offering and reverse take-overs/backdoor listings) or placement (and other post-listing raises).

There were 63 placements raising \$905.6m. With the largest being **by data centre operator NextDC (ASX:NXT) for \$377m, followed by Getswift (ASX:GSW) with \$75m and ZipCo. (ASX:Z1P) with \$40n**

Despite major planned Tech IPOs, for Unlockd and Prospa not progressing, over the year there were **22 Australian tech listings, raising collectively \$170m.**

All but one listing (of the Perth-based **Schrole Group (ASX:SCL)** by reverse take-over) was by Initial Public Offering (IPO).

The largest IPO by an Australian Tech Company was a listing on the Alternative Investment Market (AIM) of the London Stock Exchange by Sydney based data management and cloud integration platform, Maestrano which raised \$21m (£12m). The largest Australian Tech IPO on the ASX was Western Australian based Data Centre Operator, the **Data Exchange Network (ASX:DXN) which raised \$16m**, followed by **Raizinvest (ASX:RZI) (\$15.1m)** the Micro Investing App company that recently parted with US based Acorns. The balance of the IPOs ranged in value from \$1.5m (Jayride ASX:JAY) to \$12.5m (IXUP ASX:IXU).

The **second most significant type of funding was debt with just over one quarter of funding events by value** for the year with \$918m over the financial year. Debt was most prominent in the Transport, Telecoms and Fintech sectors (primarily lending).

Venture Capital and other large scale private investment was the third most significant funding type in terms of dollar value with \$915m in 118 separate funding events. Although when adding in other forms of private investment **the total funding from Private investment comes to \$1,010m** with \$81m of angel/seed investment, \$7.8m of accelerator funding and almost \$6m of equity crowdfunding.

The largest VC investment was into BigCommerce, which raised \$85m led by Goldman Sachs. This was followed by **Canva which raised a \$50m round** led by Sequoia China and with Blackbird Ventures and Felicis Ventures, giving the company a US\$1b valuation and unicorn status and superannuation startup **Spaceship which closed a \$50m round** in the second quarter from investors including US-based VC Amplo and Atlassian founder Mike Cannon-Brookes.

The **most funded category was Fintech with \$1.038b over the financial year. MoneyMe being the most funded Fintech of 2017/18** with a \$120m an oversubscribed asset-backed securitisation deal. The largest private investment in a Fintech company was superannuation startup Spaceship which closed a \$50m round in the second quarter.

There were a reasonable number of **large scale funding rounds with 65 funding events having a value of \$10m or greater and 141 events with a value of \$5m or greater.**

The **most active quarter** was the first quarter from 1 January to 31 March which outstripped any other quarter with **\$1.35b in funding representing 204 funding events.** The quarter was dominated by two deals, for NextDC (\$377m) and Splend(\$220m).

The **most funded company was data centre operator NextDC** with two significant funding events totalling over \$677m (a \$377m placement and a \$300m debt instrument). The second most funded company was Uber car provider Splend who secured a \$220m Debt facility in Q3.

As would be expected **New South Wales companies were the most funded during the year and** dominated in terms of total value raised in 3 of 4 quarters, with Queensland topping the March 2017 quarter, due to the Next DC's \$300m debt facility. Analysing the States adjusted for population and saw that **NSW dominated on a population adjusted basis** was still dominant in 2 of 4 quarters, with both Western Australia and Queensland having a higher adjusted amount of funding per 1,000,000 population in Q1, with Victorian funding sneaking ahead of NSW on a per capita basis in Q4, although only by a small margin.

Initial Coin Offerings (ICOs) played a significant role during 2017/18 with just shy of \$300m funding during the financial year across 29 companies, with raises averaging at \$10.3m. The **largest reported ICO was Gold Bits Coin with a \$50mUSD (\$66mAUD) ICO.**

Grants (including awards) totalled over \$66m across 182 grants with values ranging up to \$5m for Genex Power who received an Australian Renewable Energy Agency (Federal Government) grant, with a average grant value of \$360k.

Equity Crowdfunding (or Crowd Sourced Equity Funding) commenced during 2017/2018 following the passage of amendments to the Corporations Law and the issue of Crowdfunding licenses in January 2018. Unsurprisingly equity crowdfunding had a slow start with almost \$6m raised across 5 companies, with the **largest Equity Crowdfunding raise by Neo-bank Xinja of \$2.4m.**

Reward crowdfunding had a much bigger impact than Equity crowdfunding with over \$21 raised across four companies during the year, led by Agritech play, **Flowhive** which **broke Platform and Australian crowdfunding records raising \$19.2m on Indiegogo.**

Introduction and Background

This Annual Funding Report covers funding events confirmed in the 2017/2018 financial year. This is the most comprehensive annual funding report covering the Australian Startup and Young Tech Ecosystem ever produced. In order to make sure the Report covers as many funding events as possible so Techboard called on the support and assistance from companies, advisors, investors/funders and others to help supplement its dataset.

Techboard began in 2015 as a Western Australian focused directory and promotional platform for Startups and Tech companies. Shortly after launching the Techboard team began tracking data on the companies in the Directory and began publishing a regular ranking of trending companies in order to highlight their achievements over the ranking period and amplify the companies success and also to draw attention to Techboard. In January 2017 Techboard began adding Companies from across Australia to the Techboard Directory and to the Techboard Ranking. The Techboard Ranking is currently on hold.

One of the inputs into the Techboard Ranking was funding data, which Techboard has been collecting since it launched the Ranking in 2015. In early 2017 Techboard began publishing reports including based on the funding data it had been collecting. To date Techboard has published six reports. The report initially just covering Western Australian Companies but since the March Quarter 2017 Report they have been covering companies from across Australia.

Where does Techboard get its data for this Report?

Data is collated by the Techboard team from public sources both manually and via semi-automated screening of the over 2500 companies that are actively tracked. Techboard gets its data from a variety of sources including of course the excellent startup and tech sector press in Australia, extensive desk research as well as deals, grants and other funding events that are announced on Techboard by companies wishing to increase their exposure. In addition, over the course of the year over 150 funding events were reported to Techboard by Investors, Government Agencies, Investment Groups (both in the context of the National Angel Awards 2018 being run by Techboard and the Angels of Australia and Otherwise.

In preparing this Annual Report we did much more than take our reports for the previous three quarters and add in data for Q4. We went right back through the year, undertook significant additional research, had many funding events reported to us, removed some duplication between our previous reports. We actually found a significant amount of funding events we had not covered in previous reports.

Which companies are included in this Funding Report?

Techboard collects funding data on Australian startups and young tech companies which are [eligible for a listing](#) on Techboard. It is only funding events for these companies that are included in this report. Techboard's interpretation of this phrase is set out below.

What is meant by “startups and technology companies”?

Companies that have proprietary technology or intellectual property at the core of their product or service offering (ie: they are commercialising a technology they have developed) OR they are a high growth potential Startup (which will generally have technology at its core).

What does “Australian” mean?

Companies that are based or born in Australia or have some significant link to Australia.
What can be included:

1. Company was founded in Australia, or
2. Company was founded overseas but has relocated both its headquarters and some significant operational activities to Australia.

What is meant by ‘Young’ for Technology companies??

At the beginning of 2017 Techboard made a strategic decision to limit Techboard to companies younger than 10 years old, with some exceptions, for example, if the Company has had a significant pivot and is effectively reborn OR if the company has yet to launch a product that has had an extended development period. Changes in corporate structure are not considered when calculating the 10 years if the business is ostensibly the same (ie through ASX listing).

Over recent years an increasing number of foreign companies have listed on the ASX. Generally speaking these companies will not be added to techboard or their Funding events included in our reports, unless the company sets up significant activities in Australia, more than establishing a registered office required for compliance purposes.

Why are ASX Listed Companies included?

The traditional source of funding for startups globally is usually private investment with seed and early expansion funds coming from private equity or venture capital sources. Techboard was born in and is based in Western Australia. WA is a State which has gone through significant periods without any venture capital funds being based in the state and the Australian Stock Exchange has become a valid source of venture capital level funding for startups, many of which are based in Western Australia.

Categorisation of Companies

In the absence of a suitable categorisation approach developed its own approach and has categorised all Companies in the Techboard Directory with up to three categories from 43 categories. For the purposes of ease of filtering and analysis such as that undertaken in this Report each company has also been designated a primary category. More detail on the categorisation approach is available on the [Techboard website](#).

What type of funding events are included in this Funding Report?

This funding report covers funding from accelerator programs, acquisitions, angel/seed investment, crowdfunding (reward and equity), major debt instruments (sometimes called venture debt), grants (including awards and prizes), initial coin offerings, initial public offerings and reverse takeovers, ASX placements and venture capital/large scale private investment.

Funding Types - Definitions

Accelerator

Private equity investments made in connection with a formal program, generally described as an accelerator program, often where all companies participating in the accelerator are offered investment according to a predetermined formula of a set amount of equity in exchange for a agreed amount of money. Investments are sometimes made in the form of what are described as SAFE notes.

Acquisition

In this report “acquisition” refers to where a company acquires all shares in the company. A partial acquisition is recorded as an investment.

Angel/Seed

All private investments with a collective value of less than \$2m made by individuals or groups, that are not recorded as Accelerator, or Equity Crowdfunding, as appropriate, are recorded as Angel/seed regardless of how the investment is described.

Crowdfunding - Equity

The term “Equity Crowdfunding” is used in this report to refer to a capital raise under recently amendments to the Corporations Law described in the legislation as Crowd-Sourced Equity Funding where the investor or backer receives equity or shares in the company running the crowdfunding campaign

Crowdfunding - Reward

The term “Reward Crowdfunding” refers to a company raising money in exchange for the promise or opportunity to provide backers with a product or service rather than shares or equity. Reward crowdfunding is generally associated with crowdfunding platforms such as Kickstarter, Indiegogo and others.

Debt

Debt, including Venture debt is a debt facility capped at an agreed amount (which is the amount recorded by Techboard) generally to provide working capital to a company.

Grant

Refers to situations where a company receives money other than in exchange for shares or equity or as part of the purchase of goods or services. Grants are generally provided by government agencies as part of a grant program but can be provided by a corporation or individual. In this report the term also covers awards or prize money.

ICO (Initial Coin Offering)

An ICO (Initial Coin Offering) is where a company has an initial sale of a new crypto-currency, a coin or token. What is described as a pre-sale or private sale is also recorded as an ICO in this report. Where a company raises investment before a pre-sale or private sale this will be recorded as an Angel/seed round or VC depending on the value of that raise.

IPO/RTO (Initial Public Offering/Reverse Takeover)

IPOs (Initial Public Offerings) are when a company first lists on a public stock exchange, usually, the Australian Stock Exchange (ASX), although in this report one company is recorded as IPO/RTO which listed its shares on the AIM market of the London Stock Exchange. An RTO (Reverse Take-Over), often called a ‘Backdoor’ Listing is where an unlisted company is acquired by a listed company and then the acquired company takes over the listed company. Many RTOs took place over the last few years on the ASX, however due to a number of factors Reverse takeovers of listed companies by Startup or Tech companies are becoming increasingly uncommon, with only one Tech RTO being recorded in this report.

Placement

The term “Placement” has been used to describe any form of raising by a listed company after its initial listing. The most common form of raise described in this report as a placement were actual placements but also included under the term in this report are share purchase plans and rights issues

VC (+ Other Large-scale private investment)

In this report all large scale private investments including investments made by Venture Capital funds, high net worth individuals and corporates where the collective value of the round is \$2m or higher are recorded by Techboard as VC. This is regardless of how the round is described, unless the investment is properly recorded as Equity crowdfunding. Where the collective value of the investment round is less than \$2m the investment is recorded as Angel/seed, Accelerator or Equity Crowdfunding, as appropriate.

Overview of the Techboard Directory

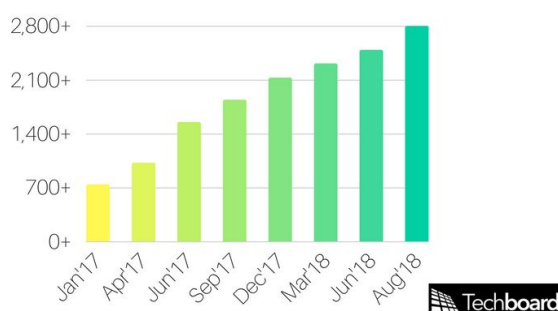
Techboard is growing and maintaining the largest directory of Australian startups and tech companies ever assembled. Features:

- As at 1 September Techboard has 2,881 published company profiles 352 of which are archived due to inactivity or age (we track companies up to 10 years old... with some exceptions).

- Company profiles are set up by Techboard (claimable by companies for free) or set up by a company and populated with data from the company and Techboard.
- Contents of profiles: overview/elevator pitch, optional video, contact info/social media, key personnel, awards etc, announcements, ranking and related data (current and best ranking) and traction data (inserted by Techboard) news, funding and milestones as collected for the Techboard Ranking.
- Company profiles are fully searchable by name, keyword and filterable by category and state Company profiles currently contain funding events and milestones from earlier funding periods
- Will soon incorporate the ability to search companies by funding events/type.

Techboard includes companies in its directory that meet its listing criteria which are detailed above. The focus is on startups and young tech companies, companies that are technology/IP driven or otherwise have high growth potential. It is also worth noting that Techboard covers privately owned unlisted companies and publicly listed companies trading on the ASX.

Number of Company Profiles on Techboard

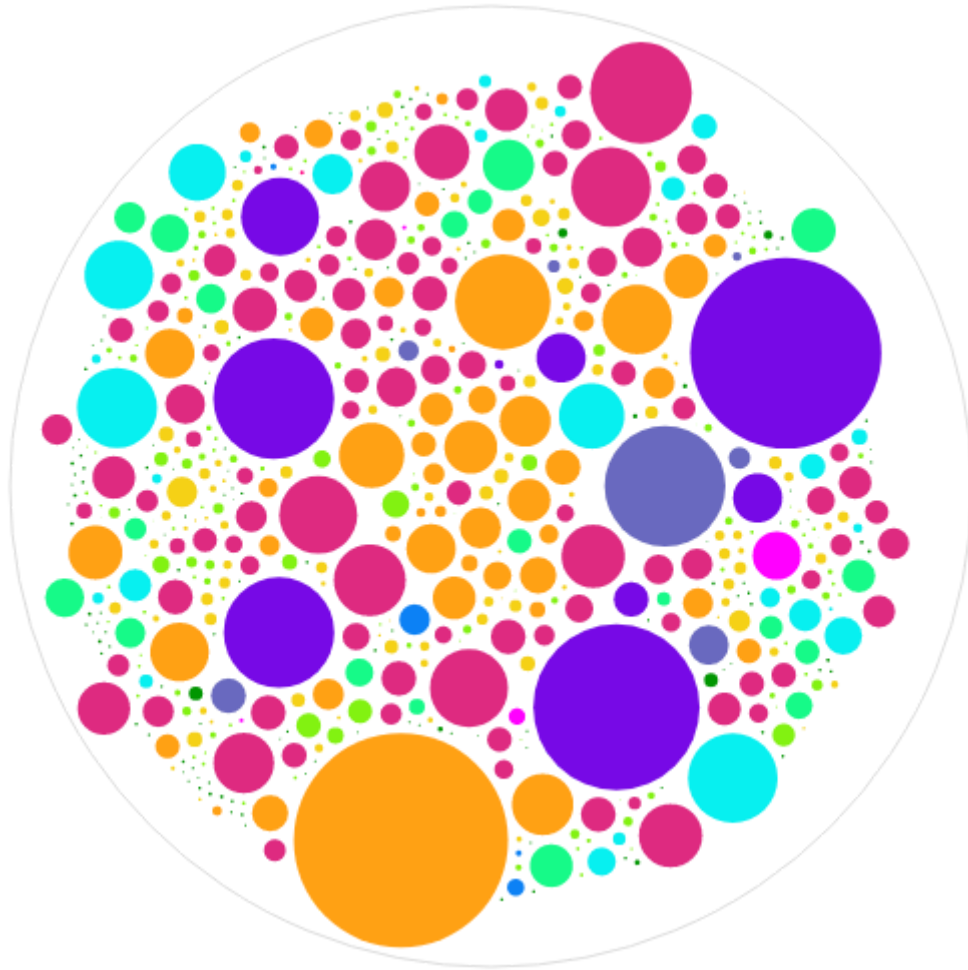


Techboard Approach to adding companies to the Directory

Techboard began in Western Australia and generated a close to complete list of startups/tech companies as possible before commencing the creation of the directory. Since Techboard began going national in 2017 the focus has been on capturing companies hitting the press and hitting milestones, with a special focus on funding events. Techboard is working to increase its identification and capture of companies and funding events by partnering with startup hubs, state government agencies both at State and Federal level as well as investment and advisory groups.

A note on the Charts used in this report and access to Techboard Funding Data.

The vast majority of charts used in this report are available on the Techboard.com.au website and are interactive and in many cases also filterable, enabling the reader to much more usefully interpret them. The version of the charts which does not provide full access to the details of the funding events are available to be accessed at no charge. Techboard will be providing access to the funding data underlying the report and future reports to Premium Partners and Commercial Subscribers shortly. Contact Techboard if you are interested in having full access to Techboard funding data.

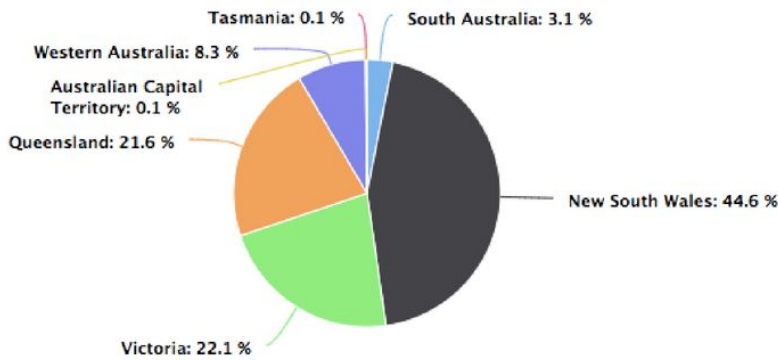


The Analysis

The Analysis

General Trends

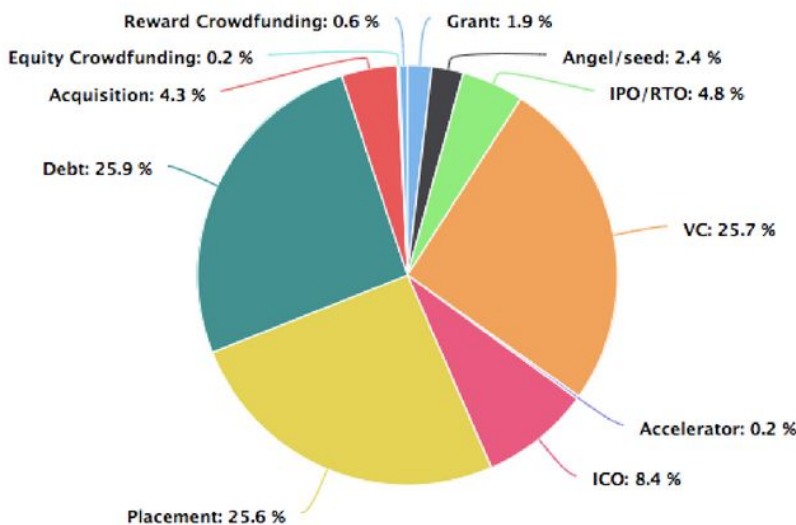
Distribution of Funding Events by State



State	\$m
ACT	2.8
New South Wales	1580.8
Queensland	766.9
South Australia	110.2
Tasmania	2.8
Victoria	783.8
Western Australia	294.9
Total	3542.3

As would be expected, New South Wales companies were the most funded during the year followed by Victoria, Queensland (mostly due to over \$677m across two funding events), Western Australia and South Australia, with the Australian Capital Territory and Tasmania effectively neck and neck. No funding events were recorded for the Northern Territory.

Distribution of Funding Events by Funding Type



Funding Type	\$m
Debt	918.7
VC	909.9
Placement	905.6
ICO	298.6
IPO/RTO	170.1
Acquisition	151.3
Angel/seed	85.8
Grant	66.7
Reward Crowdfunding	21.8
Accelerator	7.8
Equity Crowdfunding	6.0
Total	3542.27

In terms of value three funding types, namely debt, VC and placements are almost equally represented, with debt being slightly in the lead with \$918.7m. The two other most represented funding types were effectively both subsets of private investment and public investment.

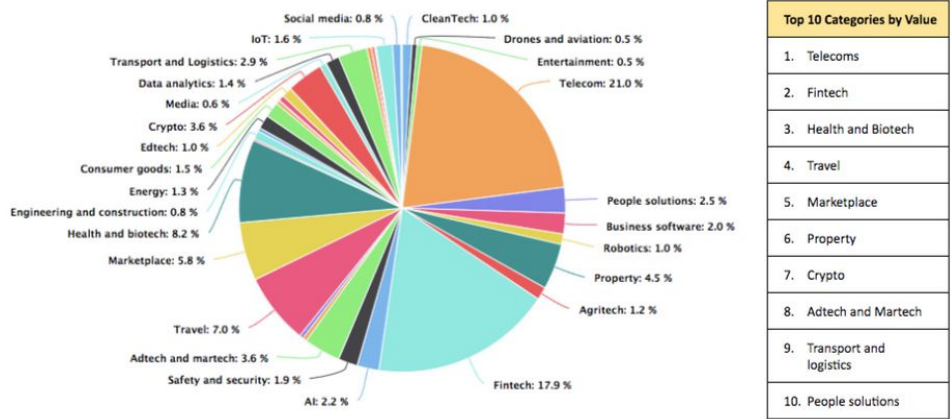
When placements are looked at together with initial public offerings (IPOs) and reverse take-overs (RTOs) which can collectively be described as “public investment” **most significant funding source** was public investment with \$1.075b being recorded.

Public investment was only slightly ahead of private investment with **\$1.010b** comprising mostly of VC (with \$910m) along with its other private investment stablemates Angel/seed investment (\$85m), Accelerator funding (\$8.7m) and almost \$6m of Equity crowdfunding.

This seems to show the close to equal financial impact on the Ecosystem of private and public investment into startup and tech however if NextDC’s significant funding events are taken out of the equation this swings things much more in favour of private investment.

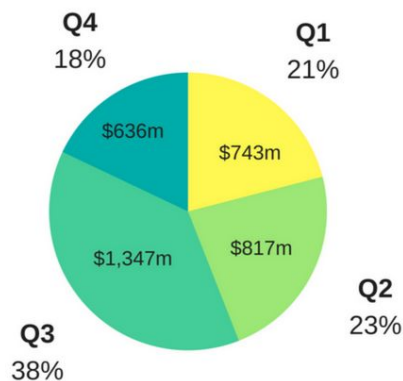
Distribution of funding events by Primary Category

The **most funded primary category was Telecoms** (\$744m) thanks to NextDC, with the second most funded sector by primary categorisation being fintech. When analysed by general categorisation Fintech (including Crypto) was the most funded category with with \$1.038b of funding events over the financial year. See more detailed discussion of the Fintech Category below.



Funding Distribution by Quarter

The **most active quarter** in terms of number of funding events was the 1st quarter to 30 September, with Q3 leading by value. Funding levels in the first half of the year were relatively static with only a small increase overall from Q1 (21%) to Q2 (23.1%). This was followed by a large spike in Q3 (38% or \$1347m) before a relatively flat end to the financial year with Q4 being the quarter with the least funding (18%).



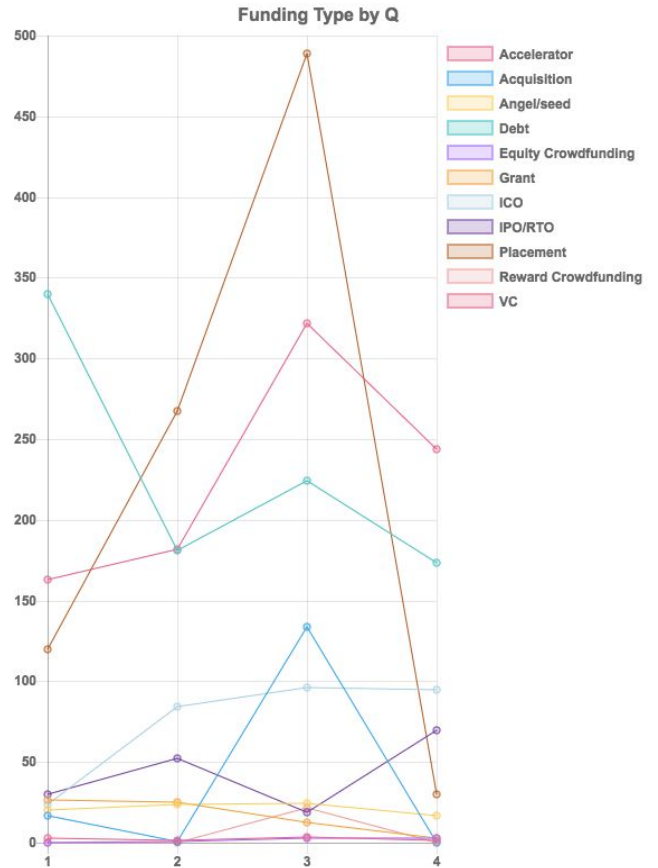
Q	Period	Number	Funding
1	1 Jul - 30 Sept 2017	231	\$743m
2	1 Oct - 31 Dec 2017	178	\$817m
3	1 Jan - 31 Mar 2018	204	\$1347m
4	1 Apr - 30 Jun 2017	123	\$636m
Total		736	\$3543

The **greatest combined value** of funding events were in the 3rd quarter to 31 March greatly outstripped any other quarter with \$1.35b in funding representing 204 funding events. The quarter was dominated by two deals, for NextDC (a placement for \$377m) and Splend(debt of \$220m). Venture Capital and other large private investment and ICOs also had significant spikes in Q3.

Trends by Quarter and Funding Type

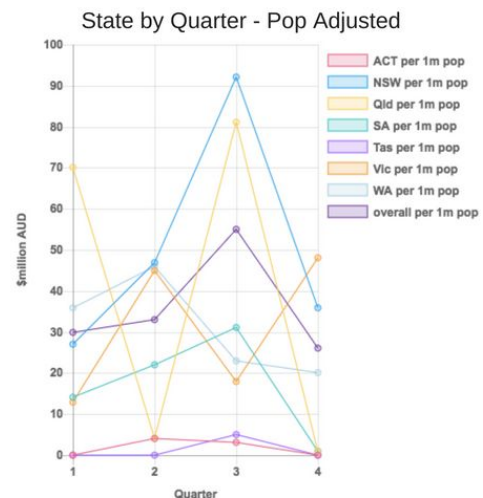
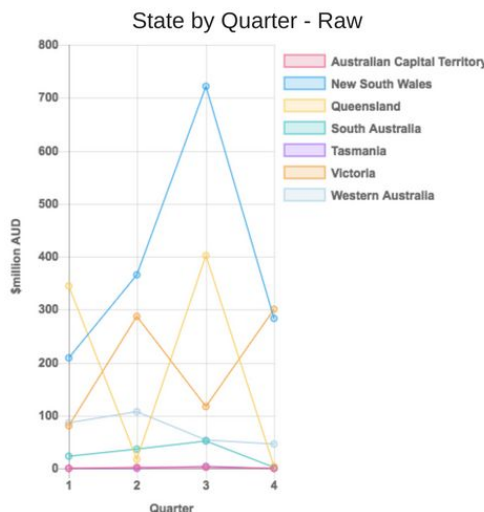
A number of trends can be extracted from this table:

- ICO activity had been increasing each quarter, by diminishing amounts.
- IPO activity was volatile but up in the 4th quarter from a low point for the year in the 3rd Quarter.
- Placements were at lowest level for the year during the fourth quarter
- Debt may be on a downward trend.
- Grants seem to be on a steady decline over the year.
- Equity crowdfunding on an upward trend.
- VC/large-scale private investment had a significant spike in Q3 but also showed a strong upward trend over the financial year.



Trends by Quarter and State

New South Wales dominated in terms of total value raised in 3 of 4 quarters, with Queensland topping the March 2017 quarter, due to the Next DC's \$300m debt facility. We also analysed the totals adjusted for population and saw that **NSW continued to dominate on a population adjusted basis** having the highest funding level per capita in 2 of 4 quarters, with both Western Australia and Queensland having an adjusted amount of funding per 1,000,000 population higher than NSW in Q1, higher than NSW and Victorian funding sneaking ahead of NSW on a per capita basis in Q4, although by a small margin.



New South Wales and Victoria showed a general upward trend in funding. After a small spike in Q2 funding in WA declined. South Australia showed good growth over the first 3 quarters followed by a significant drop. Aside from the NextDC funding events funding to Queensland companies also seemed to be on a decline over the financial year.

Trends by Quarter and Category

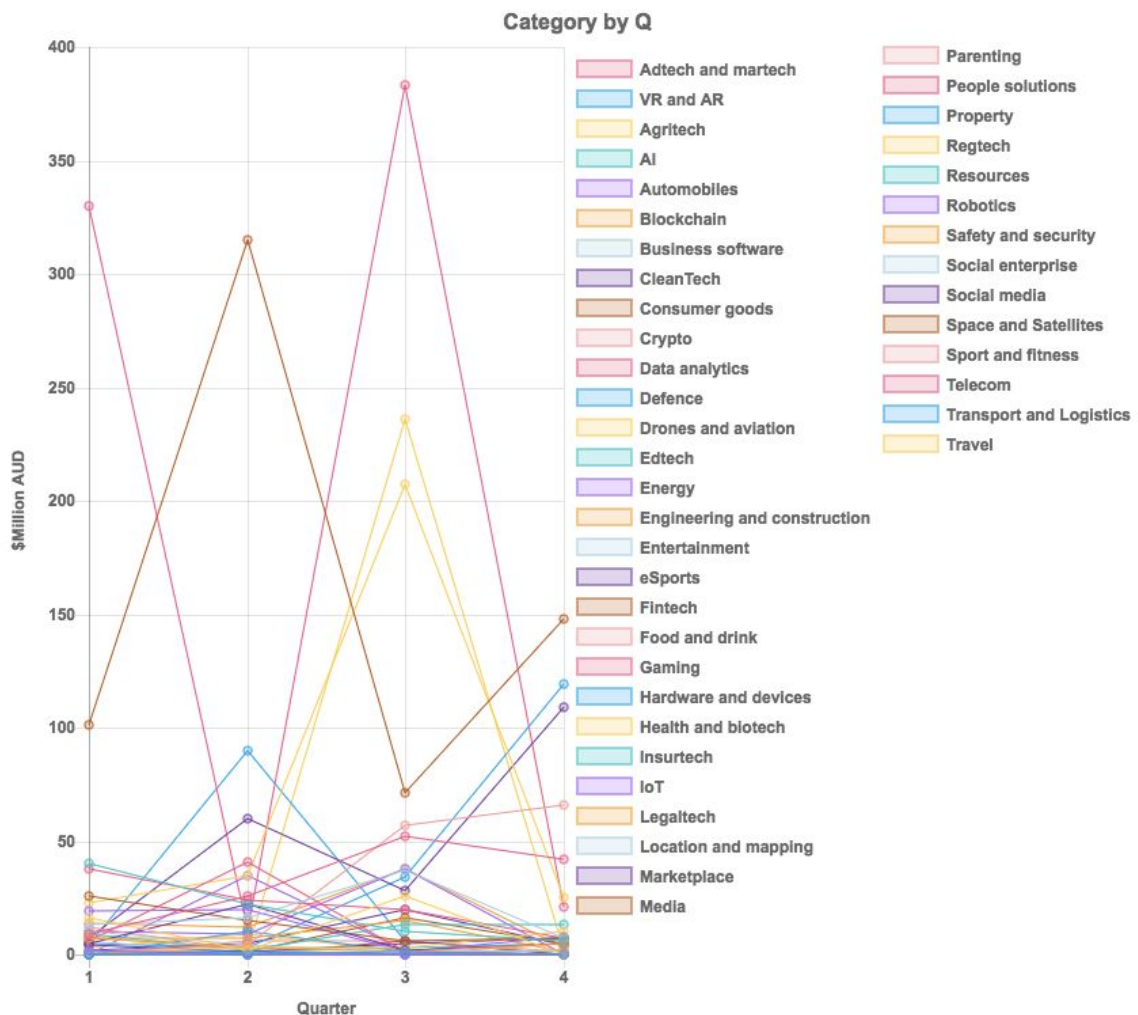
A number of categories saw a peak in Q2 with much lower levels of funding in quarters 3 and 4. These included Fintech, Transport and Logistics, Travel, Data Analytics, Energy, Robotics, Hardware and Devices.

Categories spiking in Q3 were Engineering and Construction, Agritech, Media, Business Software, Telecoms, Adtech and Martech, Health and Biotech, Safety and Security

Categories of companies experiencing overall growth across the period include Esports, Crypto, Edtech, Drones and Aviation, Adtech and Martech, Blockchain.

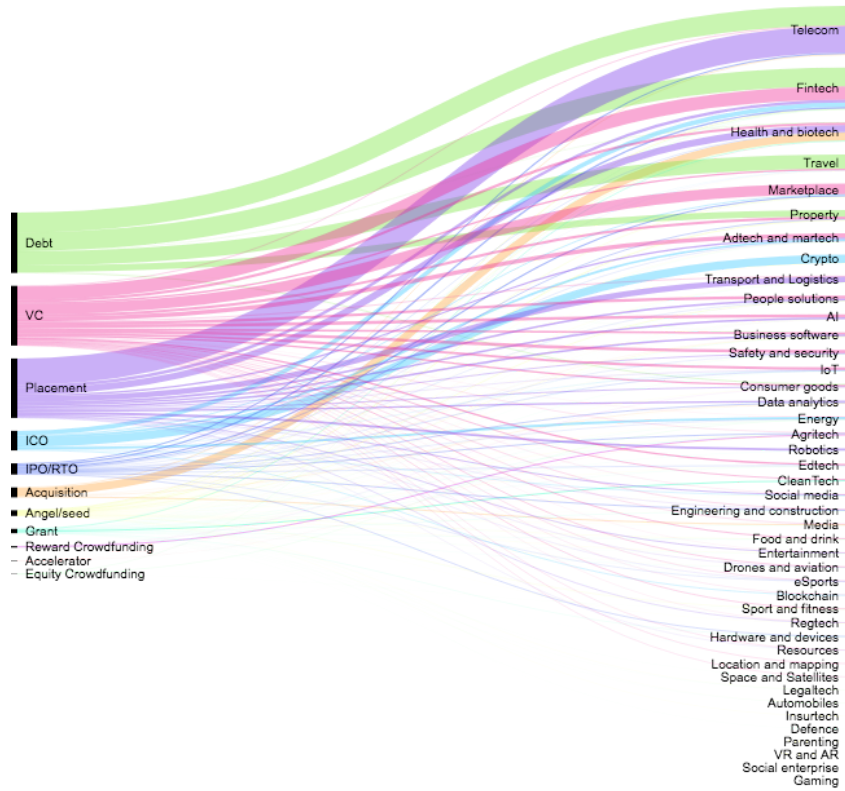
Categories showing strong growth in the final quarter are Fintech, Property and Marketplace.

Categories that seemed to be in decline over the period were, People Solutions, AI and Consumer goods.

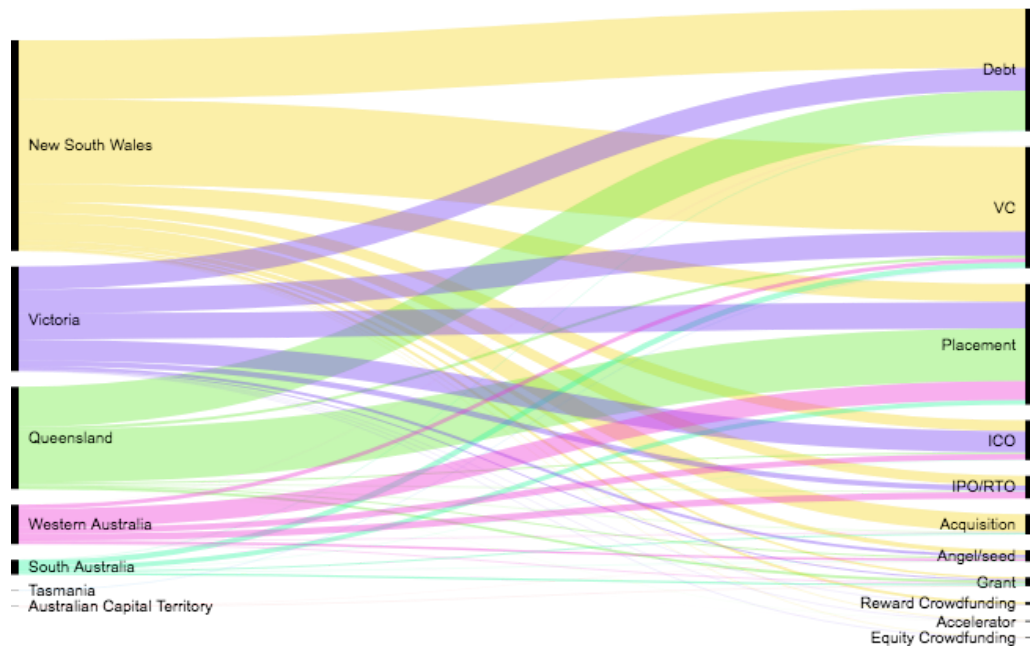


NOTE: This and many other charts in this report are available on the Techboard.com.au website and are interactive and in many cases also filterable, enabling the reader to much more usefully interpret them.

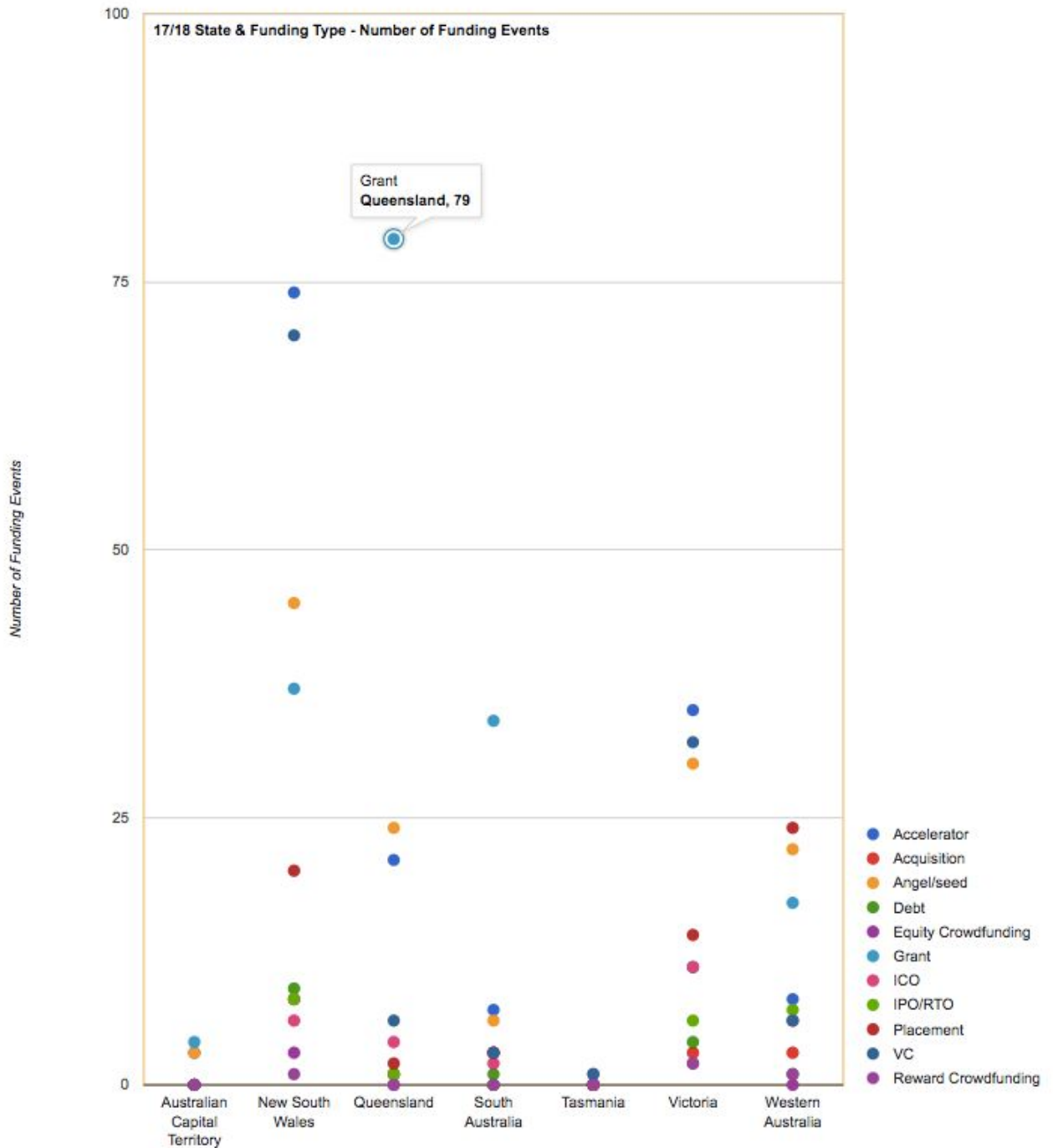
Distribution by Funding Type and Category by Value



Distribution by State and Funding Type by value

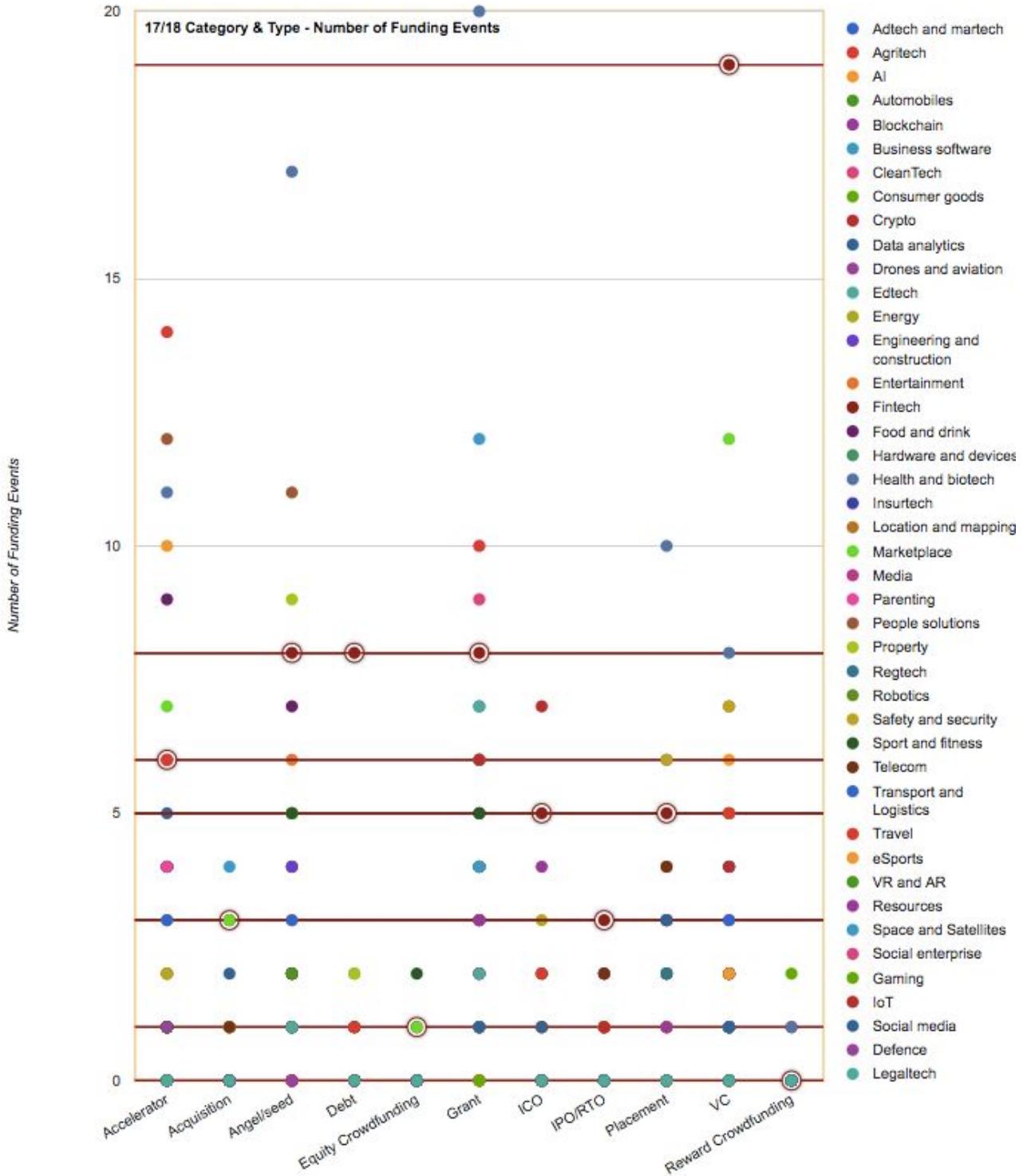


Distribution by State and Funding Type - Number of Funding Events



NOTE: This and many other charts in this report are available on the Techboard.com.au website and are interactive and in many cases also filterable, enabling the reader to much more usefully interpret them.

Distribution by Category and Type - Number of Funding Events



NOTE: This and many other charts in this report are available on the Techboard.com.au website and are interactive and in many cases also filterable, enabling the reader to much more usefully interpret them.

Analysis by Funding Type

Public Investment: IPOs/RTOs and Placements

The significance of public funding to startups could be seen as a peculiarity of the Australian Market. In many other markets only more mature startup and tech companies that have already had many rounds of investment go on to list on a public stock market. Historically the Australian Stock Exchange has been a place for high risk exploration and other ventures to list raising comparatively small sums in the single digit millions of dollars. Over recent years this trend of early stage high risk companies listing on the ASX has extended to early stage technology companies which have listed on the ASX either by way of a backdoor listing or reverse take-over or by initial public offering. This funding mechanism is often used more in cycles where resource commodity prices go through a sustained period of decline and has tended to have been utilised more by companies from Western Australia, due to both a lack of funding alternatives but in many cases also due to a preference for public markets.

As outlined above, the public investment or investment via public markets is **most significant funding source for Australian Startup and young Tech companies in 2017/2018** with \$1.075b of funding events being recorded. This number includes capital raisings both by listing via initial public offering and reverse takeovers/backdoor listings and placements (and other post-listing raises).

Other observations include:

- Broad distribution of categories 27 represented by both IPO/RTOs and Placements, with 17 categories for IPOs/RTOs
- IPO/RTO + placement represent 64.7% of WA funding events compared to 13.2% for NSW.
- IPO activity volatile but up in the 4th quarter from a low point for the year in the 3rd Quarter.
- Placements were at lowest level during the year in the fourth quarter.

Some of the Startup and Tech companies utilising the stock market are large and very mature, such as NextDC, however many of these listed companies are much younger or less mature and are utilising the stock market to raise similar levels of funding to venture capital rounds as can be seen when comparing average raises on stock markets (IPO/RTO \$7.73 (excluding NextDC's 377 raise) and placements \$8.25) to VC and other large scale private investment (\$7.75m).

Some significant IPOs and placements from 2017/18 were not included in this report due to the age of the company (Techboard tracks companies up to 10 years old), including Audinated IPO (\$21m), Netwealth IPO (\$264m), Vonex IPO (\$6m) Catapult placement (\$25m), Blugrass placement (\$9.2m). Any raises by foreign companies on the ASX have not been included unless they establish significant operations in Australia, in excess of compliance requirements of establishing a registered office and appointment of Australian office holders.

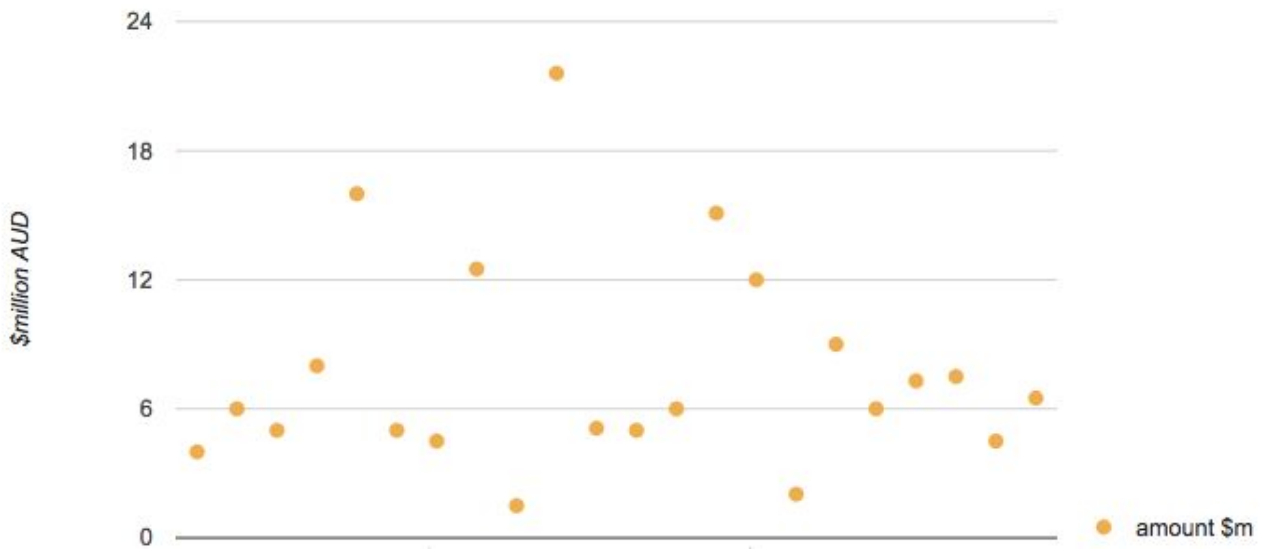
IPOs/RTOs

Over the year there were twenty two listings, all but one of which were by Initial Public Offering (IPO). The largest such IPO was a listing on the Alternative Investment Market (AIM) of the London Stock Exchange by Sydney based Data Management & Cloud integration platform, Maestrano which raised \$21m (£12m) the balance were on the ASX. The largest Australian Tech IPO on the ASX was Western Australian based Data Centre Operator, the Data Exchange Network which raised \$16m, followed by Raizinvest (\$15.1m) the Micro Investing App company that recently parted with US based Acorns, and Sydney collaboration software company IXUP with \$12.5m. Rounding out the top 5 was real estate agent ratings company Rate my agent which raised \$12m.

Initial public offerings raised \$170m and ranged in value from from \$1.5m (Jayride) to Maestrano which raised \$21m (£12m) and averaged \$7.7m in value.

IPOs were spread across a broad range of categories, with Fintech accounting for 14.4% but only 2 other categories with more than 10% of share by value, with the 61% of funding spread across 14 categories.

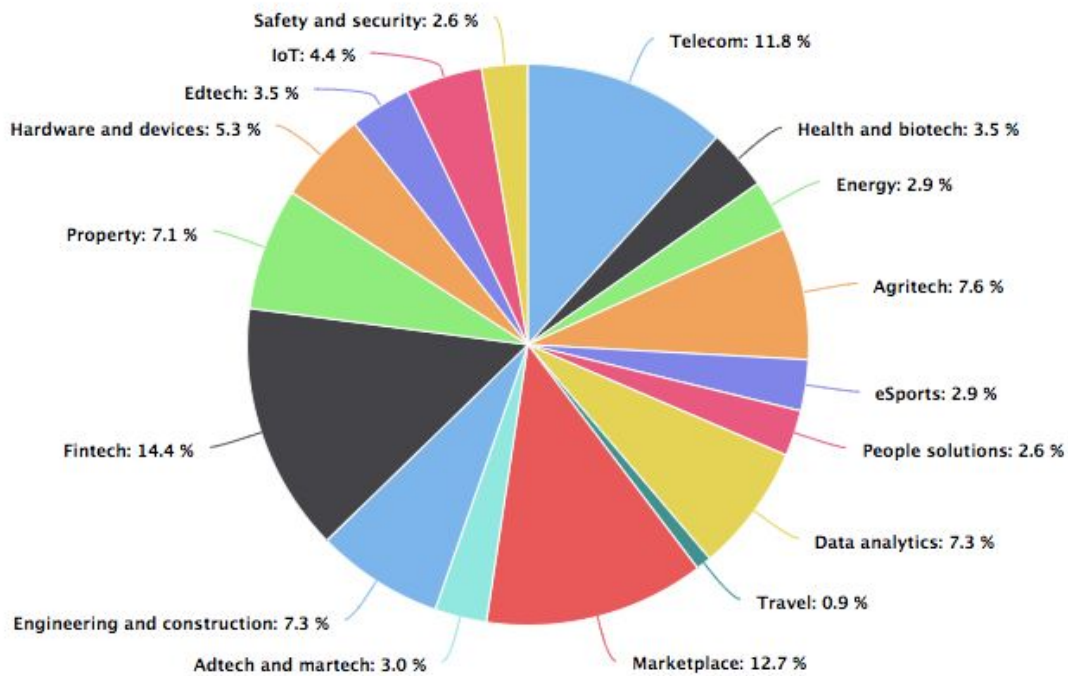
Funding Distribution by Value - IPO/RTO



5 largest Startup and tech IPOs for 2017/8, notably 4 of the 5 were in the 4th quarter.

COMPANY NAME	Q	Age	STATE	\$M	CATEGORY
Maestrano	4	2014	New South Wales	21.6	Marketplace
Data Exchange Network	4	2017	Western Australia	16	Telecom
Raizinvest	4	2015	New South Wales	15.1	Fintech
IXUP	2	2011	New South Wales	12.5	Data analytics
Ratemyagent	4	2014	Victoria	12	Property

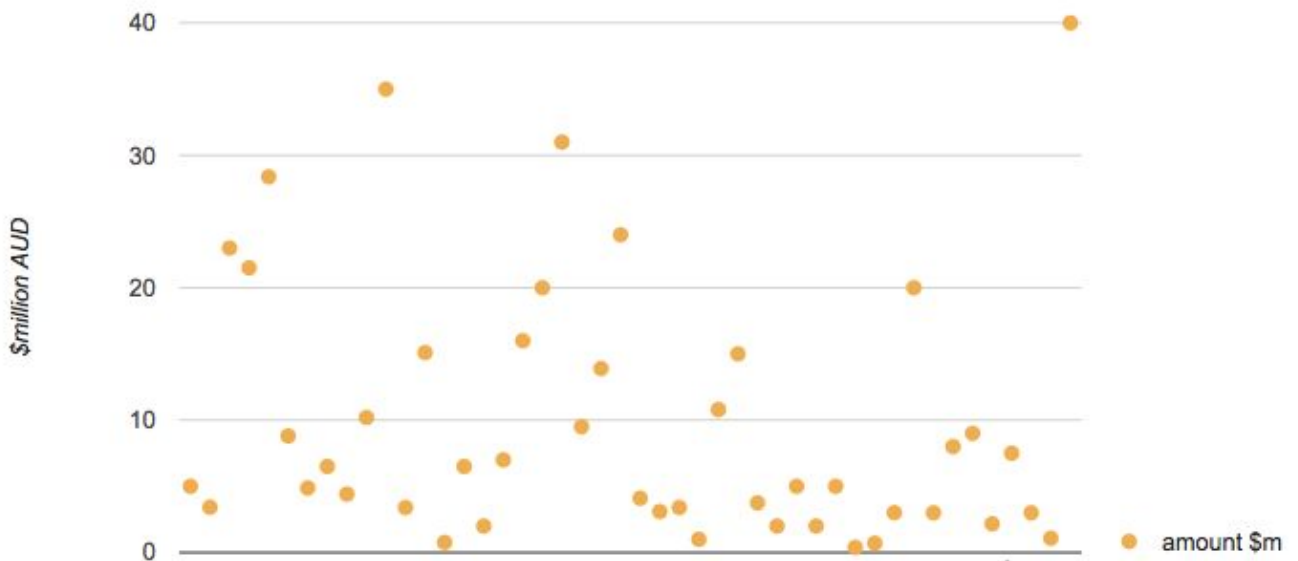
Funding Distribution by Category - IPO/RTO



Placements

Over the year there were 63 placements accounting for almost \$910m ranging in value from \$180k (IoT Group) to \$377m (NextDC). The bulk of the placements (76%) were \$10 m or less in value. Aside from the massive placement by NextDC there were only 2 categories taking sizable shares, Health and Biotech and Transport and Logistics.

Funding Distribution by Value - Placements

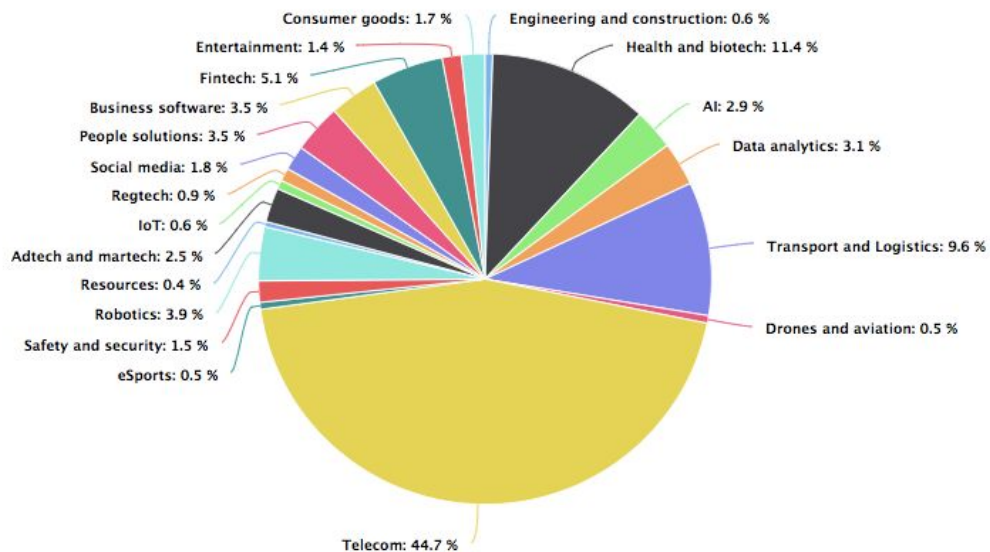


NOTE: Above Scattergraph excludes NextDC (\$377m) + GetSwift (\$75m).

5 largest placements for the year were:

COMPANY	Q		STATE	AMOUNT \$M	CATEGORY
NextDC	3		Queensland	377.4	Telecom
GetSwift	2		Victoria	75.0	Transport and Logistics
zipMoney	1		New South Wales	40.0	Fintech
Fastbrick Robotics	2		Western Australia	35.0	Robotics
Medlab Clinical	3		New South Wales	24.0	Health and biotech

Funding Distribution by Category - Placements



Private Investment

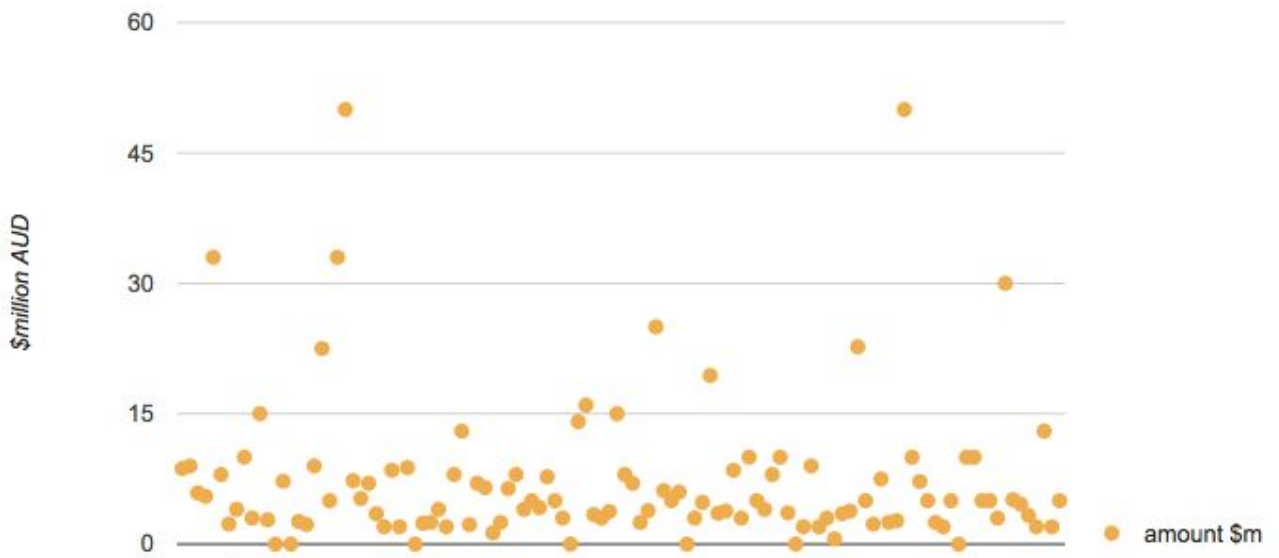
Private investment accounted for \$1.010b of funding over the financial year. This comprised of VC (and other large scale private investment) (with \$915m) along with its other private investment stablemates Angel/seed investment (\$80m), Accelerator funding (\$8.7m) and almost \$6m of Equity crowdfunding.

Venture Capital and other large scale Private Investment

Venture Capital and other large scale private investment which saw almost \$915m in 118 separate funding events. Interestingly, Private investment was spread across a much broader range of categories than Public investment. There were 101 VC investments (85%) of all deals which were of \$10m or less and 68 (57%) that were between \$2m and \$5m.

Some significant VC rounds from 2017/18 were not included in this report due to the age of the company (Techboard tracks companies up to 10 years old), notably, Ansarada \$24M and Safetyculture \$60m.

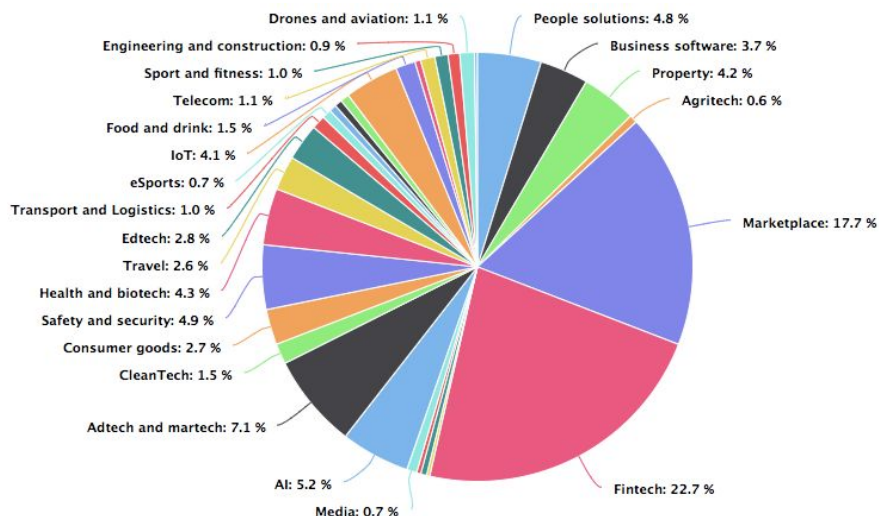
Funding Distribution by Value - VC + Other Large Private Investment



NOTES:

- The above table excludes Bigcommerce (\$85m)
- A number of funding events have been recorded as VC with nil value due to their value not being disclosed. They are included as VC rather than Angel/seed as they are understood to be in excess of \$2m.

Funding Distribution by Category - VC + Other Large Private Investment

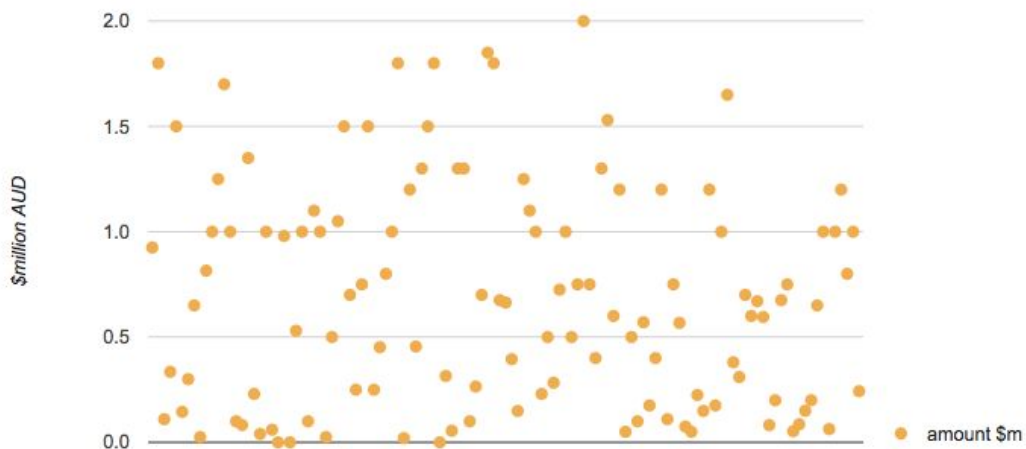


Largest Funding Events - Venture Capital + Other Large Scale Private Investment			
Company	State	\$M	Category
BigCommerce	NSW	85	Marketplace
Spaceship	NSW	50	Fintech
Canva	NSW	50	Adtech and martech
Airtasker	NSW	33	Marketplace
BugCrowd	NSW	33	Safety and security

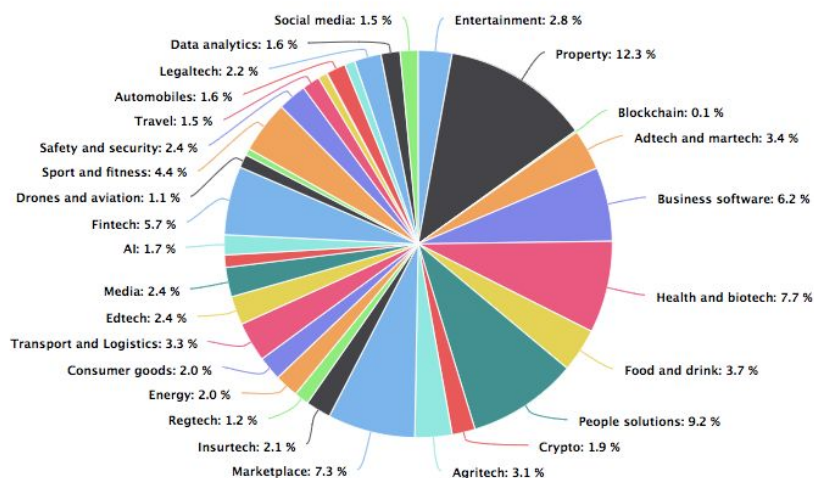
Angel/seed Funding

130 investments were recorded totalling \$81m of Angel/seed investment. The investments were relatively evenly spread across the value range up to \$2m. Notably Angel/seed investments along with VC had a very broad distribution by category. The highest represented categories were Property, People solutions and Health and Biotech.

Funding Distribution by Value - Angel/Seed



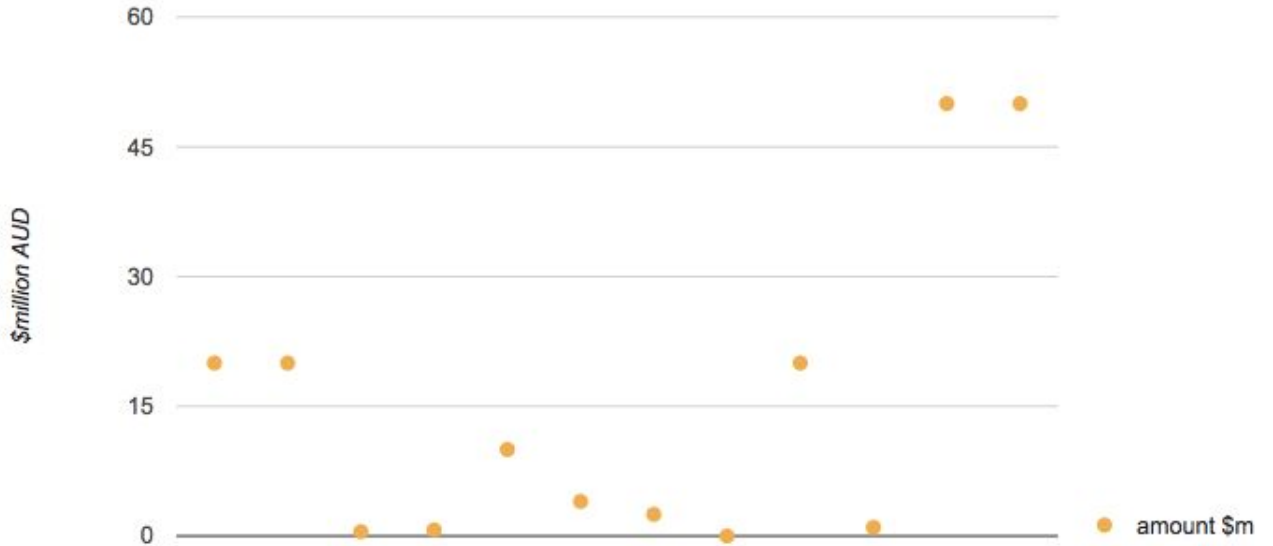
Funding Distribution by Category - Angel/Seed



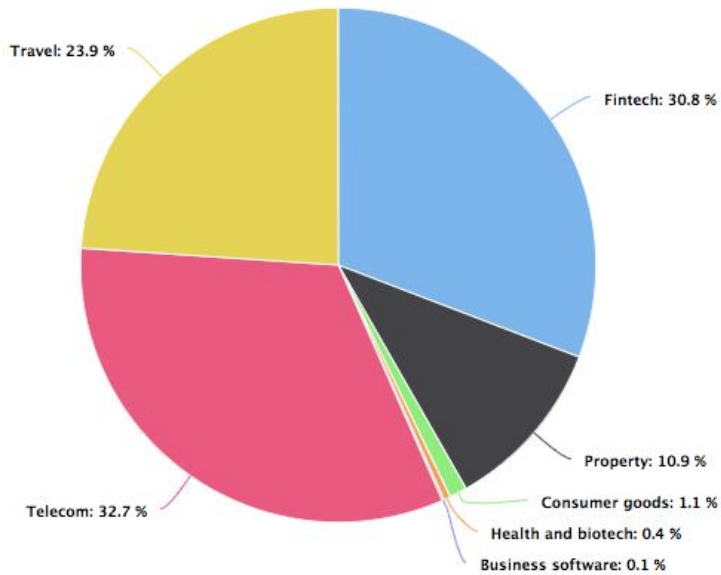
Debt

Debt played a significant role in startup and tech funding, with just over one quarter of funding events by value for the year with \$918m over the financial year across a total of 15 funding events. Debt was most prominent in the Transport, Telecoms and Fintech sectors (primarily lending) thanks to NextDC \$300m and Splend \$220m. It is suspected that the number of debt funding events might have been much higher, but that only larger debt-based funding events were reported.

Funding Distribution by Value - Debt



Funding Distribution by Category - Debt



Largest Funding Events - Debt			
Company	STATE	AMOUNT \$M	Category
NEXTDC	Queensland	300	Telecom
Splend	New South Wales	220	Travel
MoneyMe	New South Wales	120	Fintech
Domacom	Victoria	100	Property
Study Loans	Victoria	50	Fintech

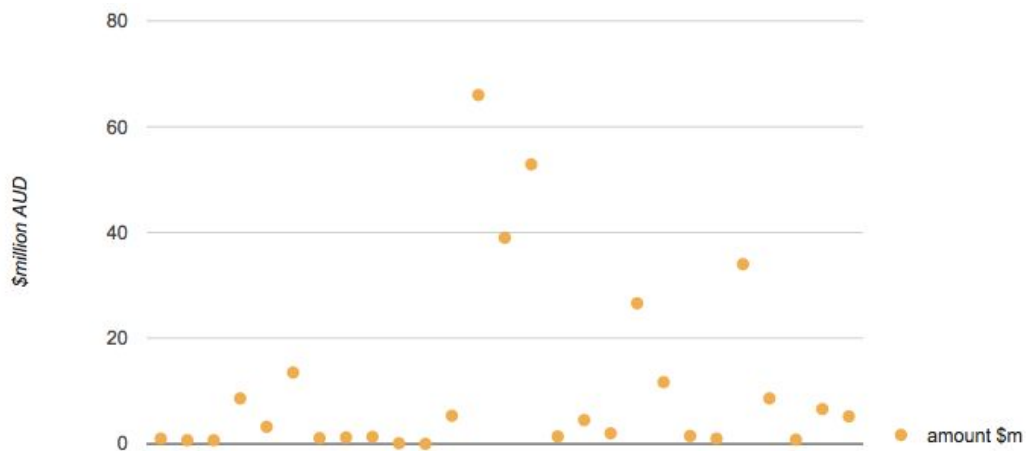
Initial Coin Offerings

Prior to the 17/18 FY there was very little activity by Australian companies raising money via the sale of crypto-currencies in Initial Coin Offerings (ICOs) or token generation events. While at least one Australian company conducted an ICO in the 16/17 FY (Chronobank with a \$6.8m ICO in February 2017) ICOs burst onto the scene with a vengeance with Power Ledger raising \$17m in its Presale in Q1, followed by a further \$17 in Q2. Hcash raised \$53M with an ICO in the Second quarter, followed by Havven reporting a \$30m ICO in Q3 and Goldbitscoin appearing to raise \$66m in Q4.

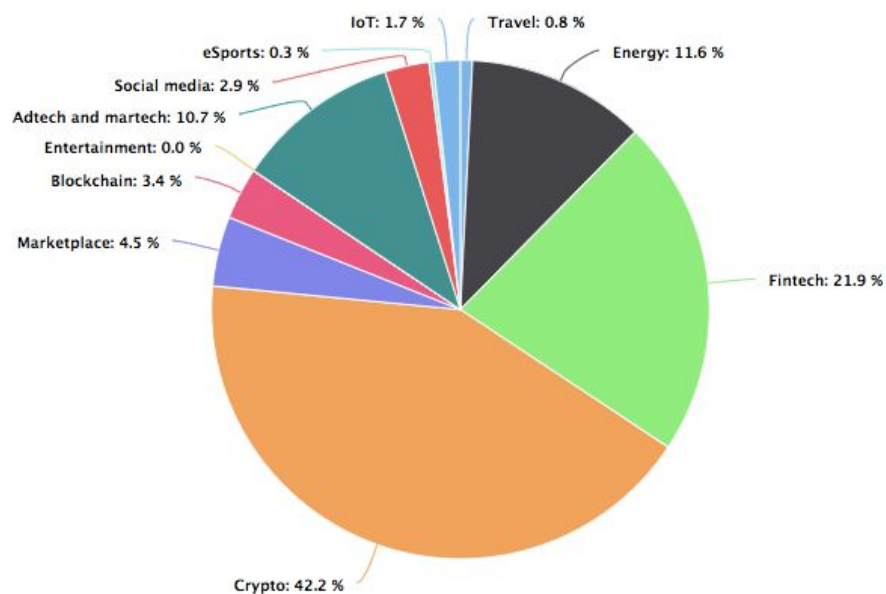
A reasonable range of categories were represented by ICOS, although the vast majority (64%) collectively were categorised as crypto or Fintech as they were primarily payment solutions.

ICO/TGE activity had been increasing each quarter, by diminishing amounts and many ICOs that were due to complete in Q3 and Q4 were cancelled or delayed into the 18/19FY or appeared to fail to meet softcap targets.

Funding Distribution by Value - ICO



Funding Distribution by Category - ICO



Largest Funding Events - Initial Coin Offerings			
Company	State	\$M	Category
Gold Bits Coin	Victoria	66	Crypto
HCash	Victoria	52.9	Fintech
Havven	New South Wales	39	Crypto
Power Ledger	Western Australia	34	Energy
Krios	New South Wales	26.6	Adtech and martech

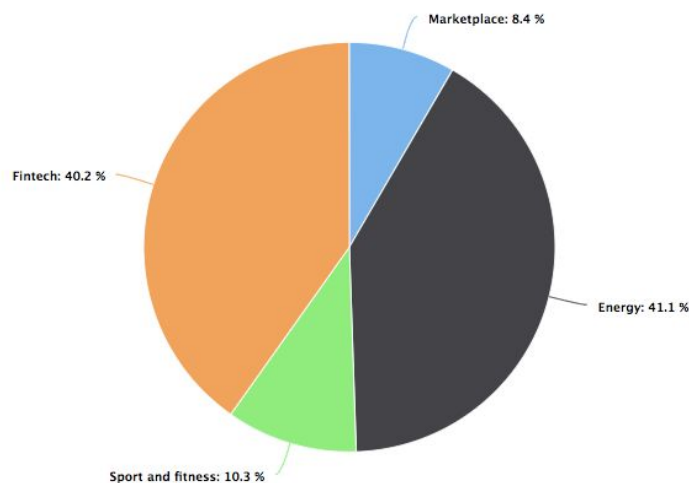
Equity Crowdfunding

Equity Crowdfunding (or Crowd Sourced Equity Funding) commenced during 2017/2018 following the passage of amendments to the Corporations Law and the issue of the first crowdfunding licenses by ASIC in January 2018. Unsurprisingly equity crowdfunding had a slow start with almost \$6m raised across 5 companies.

Funding Distribution by Value - Equity Crowdfunding



Funding Distribution by Category - Equity Crowdfunding



Largest Funding Events - Equity Crowdfunding			
Company	State	\$M	Category
DC Power Co.	Victoria	2.454	Energy
Xinja	New South Wales	2.400	Fintech

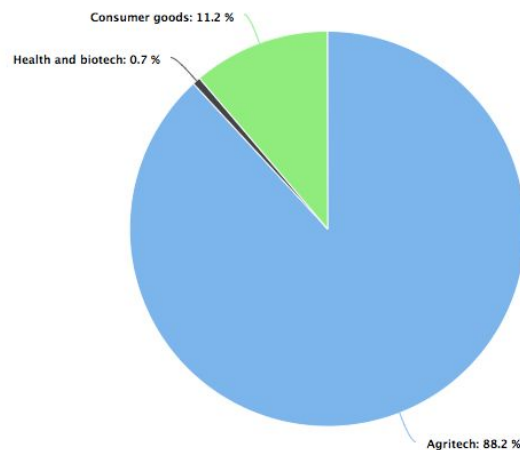
Reward Crowdfunding

Reward crowdfunding had a much bigger impact in terms of amount raised than equity-based Crowdfunding with over \$21 raised across four companies during the year, led by Agritech company, Flowhive which broke platform and Australian crowdfunding records, some of which it had set on its earlier crowdfunding project, raised \$19.2m on Indiegogo.

Funding Distribution by Value - Reward Crowdfunding



Funding Distribution by Category - Reward Crowdfunding

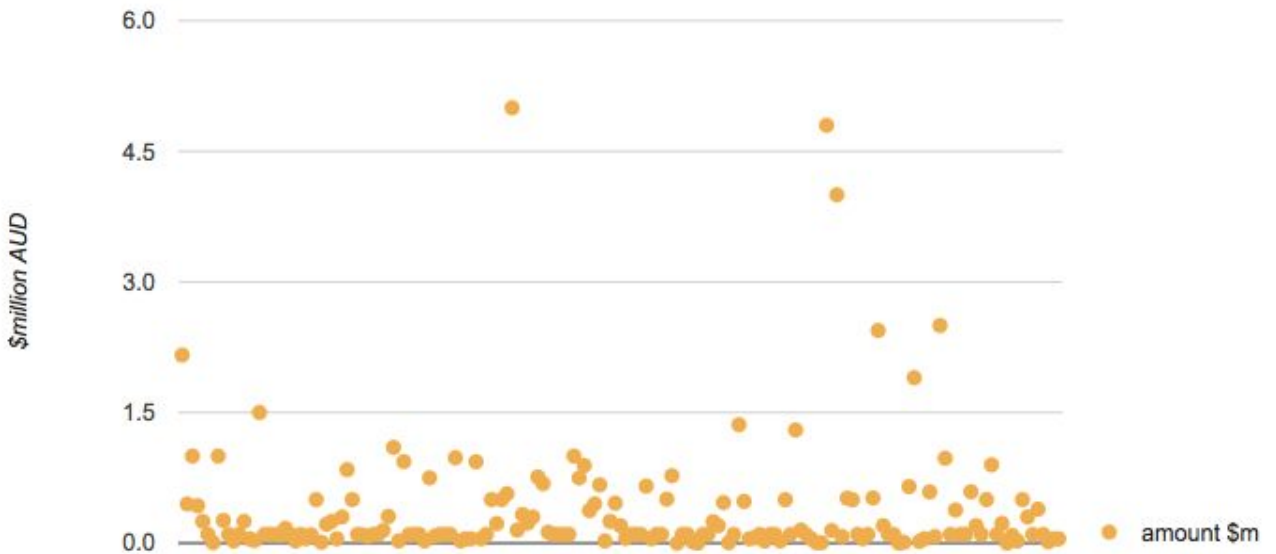


Largest Funding Events -Reward Crowdfunding			
Company	State	\$M	Category
Flow Hive	New South Wales	19.2	Agritech
Nura	Victoria	2.3	Consumer goods

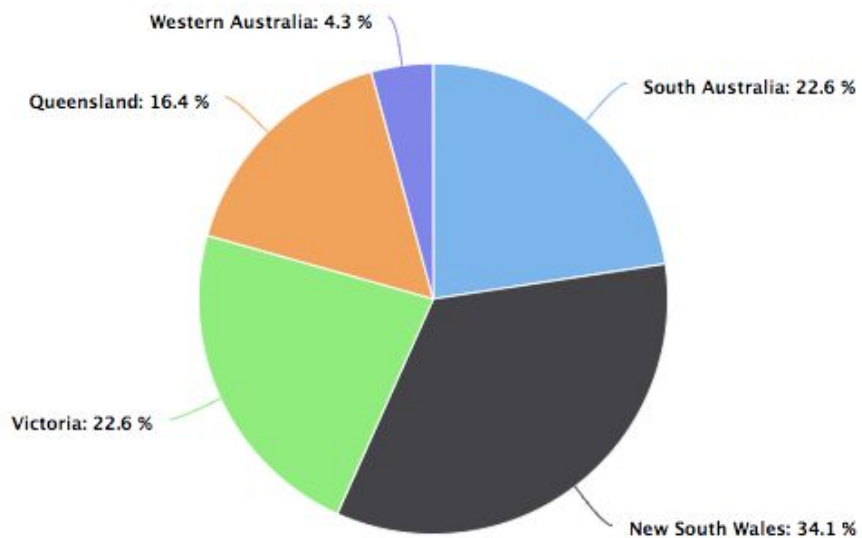
Grants

Grants (including awards) recorded for the 17/18 period totalled over \$66m across 182 grants with values ranging up to \$5m for Genex Power who received an Australian Renewable Energy Agency (Federal Government) grant, with an average of \$360k. The most represented category by value was Cleantech, thanks to the ARENA grants. Just 7% of grants were \$1m or more, over 57% of grants were \$100k and under and 23% were \$50k and under. While Cleantech and Health and biotech dominated, the grants were spread across a very wide range of categories.

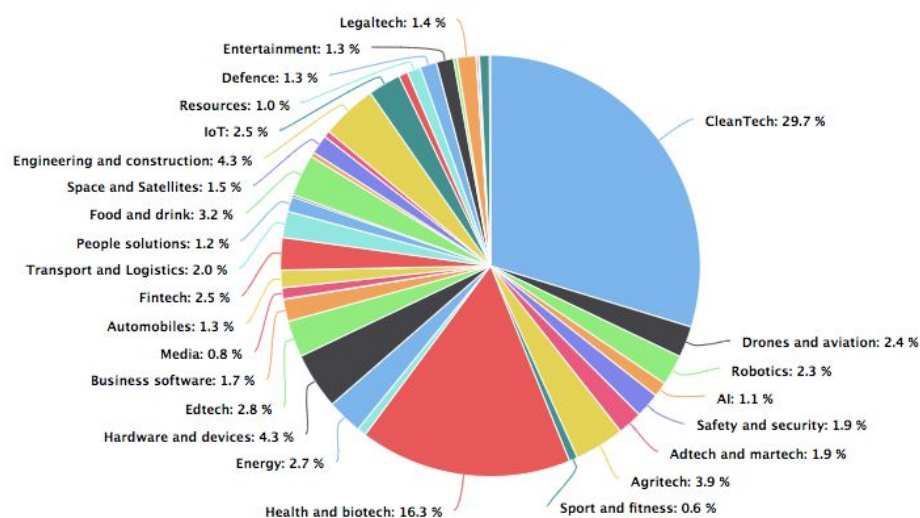
Funding Distribution by Value - Grants



Funding Distribution by State (Value) - Grants



Funding Distribution by Category - Grants

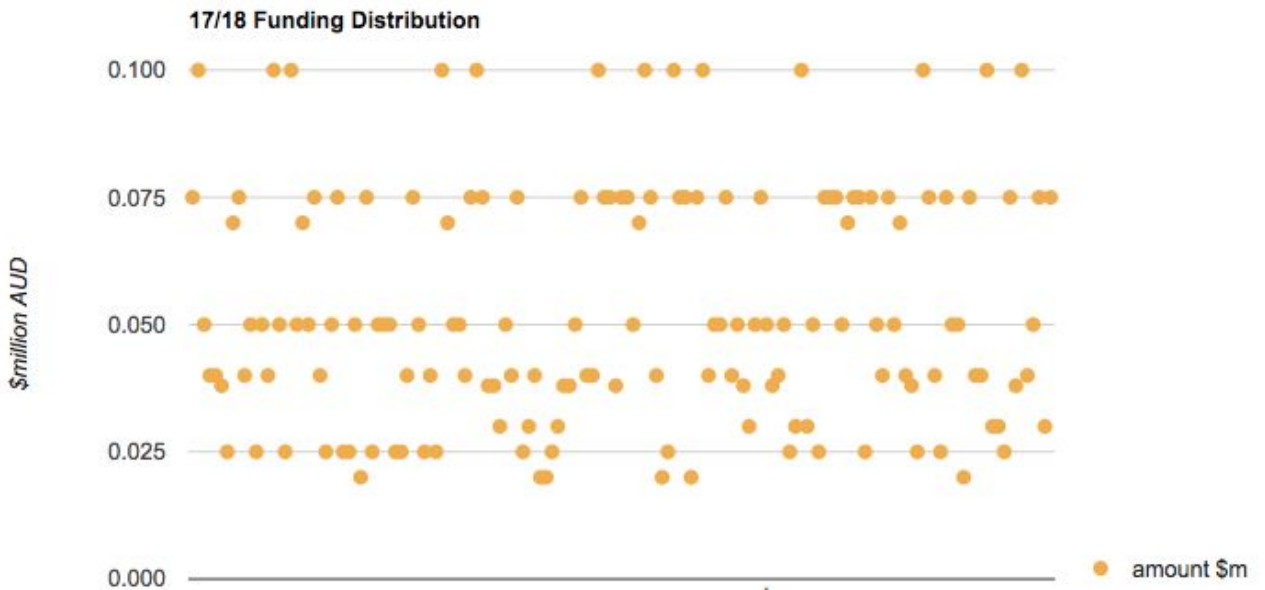


Largest Funding Events - Grants			
Company	State	\$M	Category
Genex Power	NSW	5	CleanTech
RayGen	Vic	4.8	CleanTech
Redback Technologies	Qld	4	CleanTech
SpeedX	NSW	2.5	Health and biotech
SensaLab	SA	2.4	Health and biotech

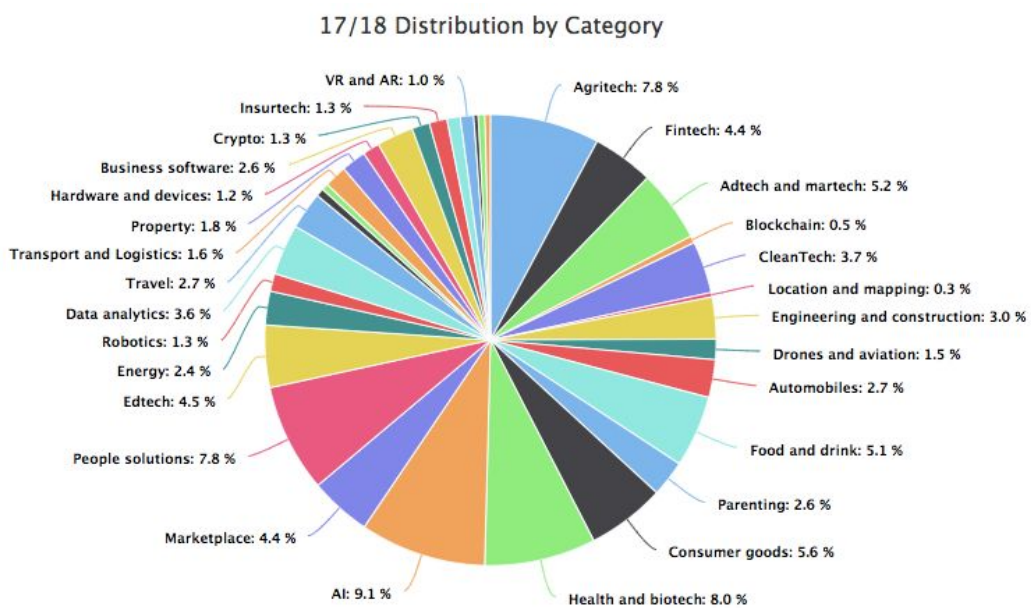
Accelerators

One hundred and forty nine companies received over \$7.8m of funding (an average of \$53k) on being accepted into accelerators. The companies were accepted into accelerators operated by organisations including Muru-D, Slingshot, Blue Chilli, H2 Ventures, SproutX, Energylab, Techstars and Startmate. A wide range of categories were represented but the most represented were AI, Health and Biotech, People Solutions and Agritech.

Funding Distribution by Value - Accelerators



Funding Distribution by Category - Accelerators



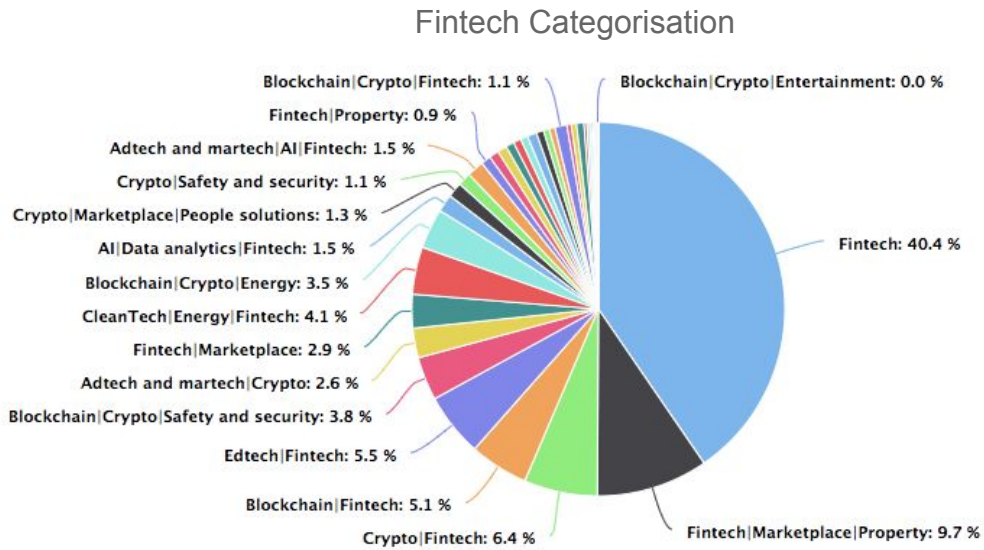
Analysis of Key Categories

Fintech

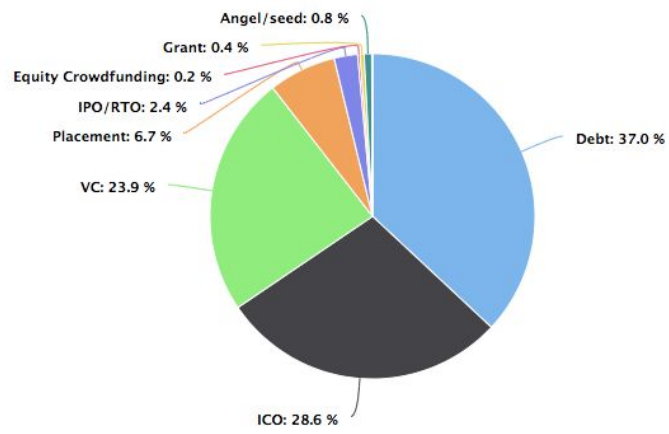
The **most funded category was Fintech** with \$1.038b of funding events over the financial year. This figure is based on overall categorisation of companies (rather than the primary category-only approach taken in the rest of this report) and includes companies categorised as Crypto which is in effect a subcategory of Fintech.

There was a diverse range of activity in the sector of the period. MoneyMe was the most funded Fintech in an individual funding event for 2017/18 with a \$120m an oversubscribed asset-backed securitisation deal. The largest recorded initial coin offering was gold backed crypto company Goldbitscoin which raised \$66m (\$50mUSD). The largest private investment in a Fintech Company was superannuation startup Spaceship which closed a \$50m round in the second quarter from investors including US-based VC Amplo and Atlassian founder Mike Cannon-Brookes. The largest IPO was Raiselvest (ASX:RZI) with \$15.1m. The largest placement was by ZipCo (ASX:Z1P) who raised \$40m. Neo bank Xinja raised \$2.4m on equity crowdfunding platform Equitise. Three significant acquisitions took place of Proviso, CreditorWatch and MoneyPlace all for undisclosed amounts.

The category was widely spread with three funding types dominating, namely private investment (mainly VC 28.2%), initial coin offerings (28.6%) and debt (30%). The public markets played a smaller role than in other categories with placements and IPO/RTOs only counting for just over 9.1% of all funding. Over the period there were 112 funding events with an average value of over \$9m with 26 funding events of more than \$10m. Twenty six VC investments, twenty seven ICOs, three IPOs, nine placements, ten angel deals, ten accelerator places and thirteen grants were recorded.



Fintech by Funding Type



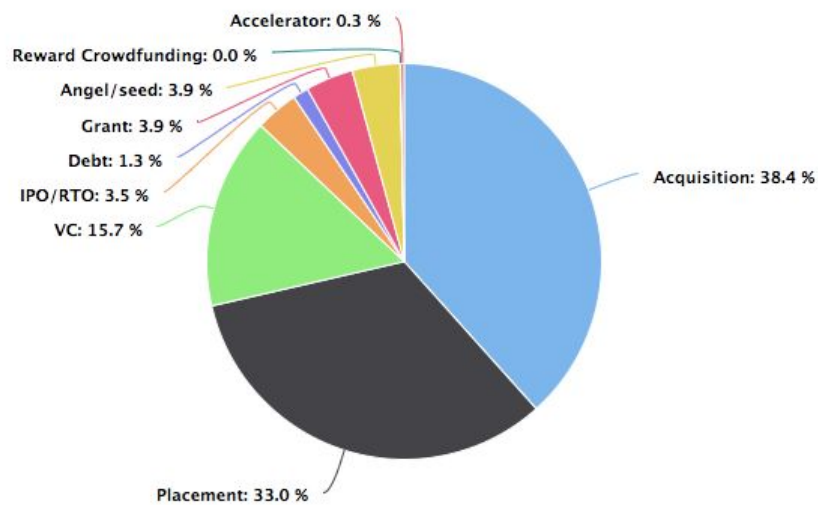
Health and Biotech

Ninety four Health and Biotech funding events were recorded for the 17/18 year with an average of 3.238m raising a total of \$313m. The largest funding event was the acquisition of Elastagen by Allergan the makers of Botox for \$120m. The largest funding source aside from the acquisition of Allergan was the ASX, with IPOs and Placements representing 36.5% of funding for Health and Biotech, ahead of private investment at 19.9%.

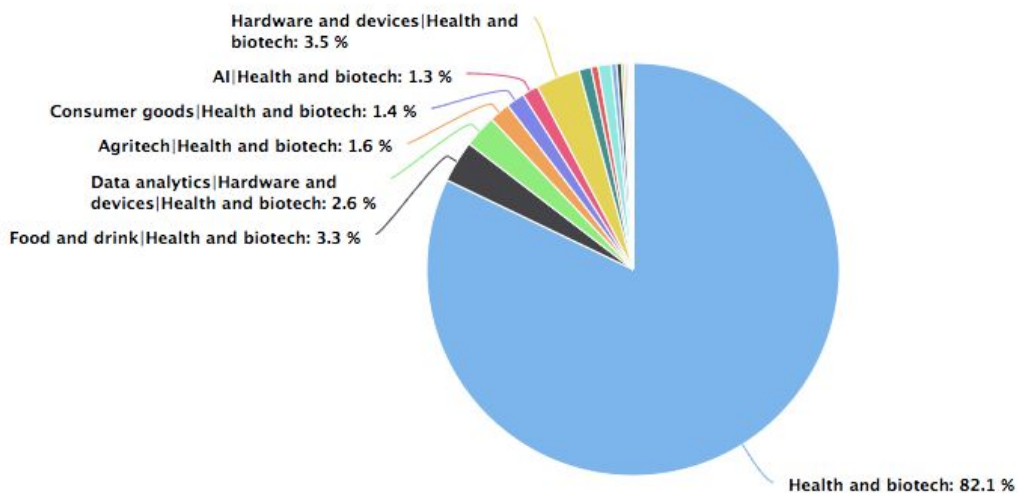
The largest IPO was veterinarian therapeutics company Cannpal Therapeutics ASX:CP1 for \$6m. Largest placement of \$24m into Medlab Clinical ASX:MDC. The largest VC investment into a health/Biotech company was \$10m into Thr1ve by Blue Sky VC.

Ten VC investments, two IPOs, ten placements, twenty six angel deals, twenty seven grants and sixteen accelerator places were recorded.

Health and Biotech by Funding Type



Health and Biotech by Category

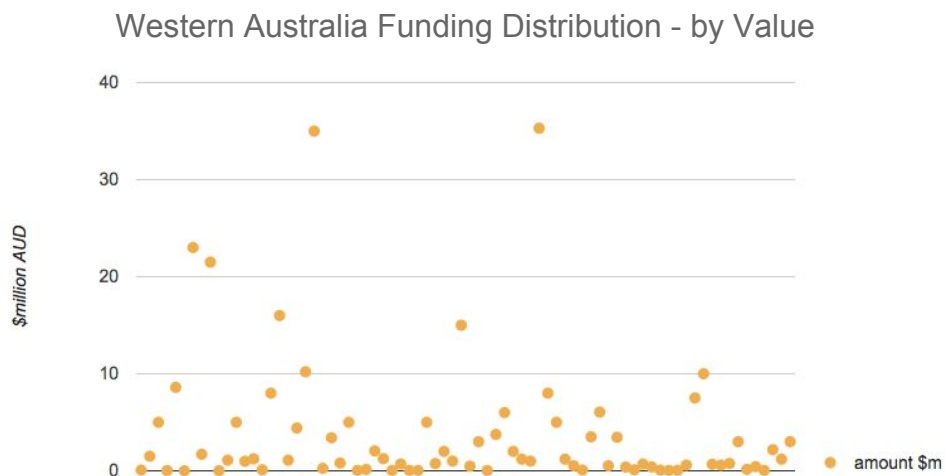


Analysis of Funding by State

Western Australia (an Example)

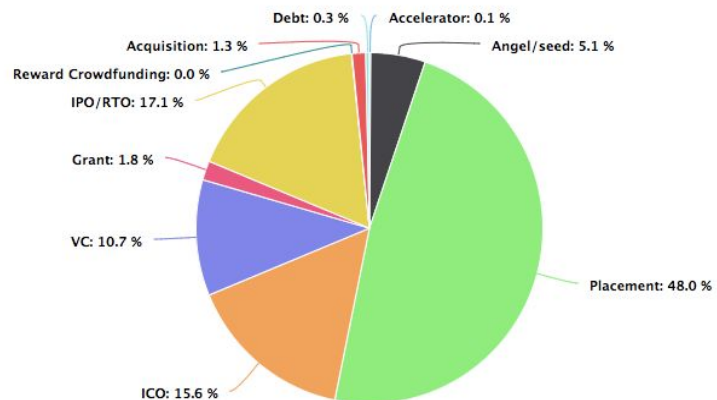
NOTE: This analysis is solely based on 2017/8 data. Techboard has funding data on Western Australia going back to 2015 which could be utilised to provide a more extensive analysis.

Over the 2017/18 financial year Western Australian companies received \$294.9m in funding across 95 funding events representing 8.3% of funding Australia-wide. The largest funding events in Western Australia were a \$35m placement into Fastbrick Robotics (ASX:FBR) in Q2, a \$21.5m placement into Brainchip Inc ASX: in Q2, \$34m by Power Ledger in its ICO Presale (\$17m) and ICO(\$17m), across Q1 and Q2. The largest IPO was for Data Exchange Network who raised \$16m in Q4. The funding distribution chart below shows that aside from these larger events, most funding events fall under \$10m with the bulk below \$5m.



Western Australia - Funding Type by Value

The distribution by State and funding type by value shows the most significant funding types for WA were placements, followed by IPO/RTOs and ICO's. IPO/RTO and placement represent 64.7% of WA funding events compared to 13.2% for NSW. This makes Western Australia comparatively much more susceptible to market fluctuations, which have a lower impact on the deployment of already committed capital by VC managers.



Very low levels of private investment were reported in the state with \$46.9m investment recorded across VC (including other large scale private investment), Angel and Accelerators. It is also worth noting that Western Australia is yet to see any real benefit from record levels of VC raised by Australia's large VC funds with the "VC" funding coming from corporates, corporate advisory firms and unidentified individuals. Western Australia however recorded twice national average of angel investment as a percentage of funding and 17.4% of recorded Angel/seed and Accelerator funding.

Initial Coin Offerings for the first time took an important share of startup and tech funding with \$45.9m (or close to 16%) of annual funding, however this impact may be short-lived as identified above ICO activity is expected to fall off in Q1 2018/19.

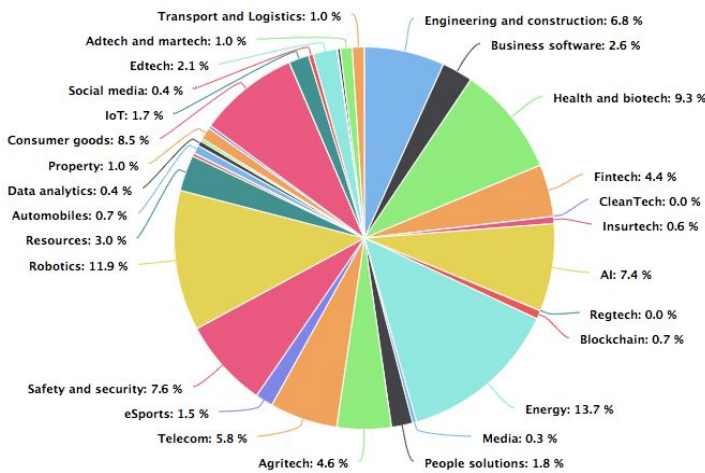
Quarterly analysis of funding types (above) shows a very significant decline in funding for WA's primary funding source, namely placements in Q4, partially offset with a slight increase in the level of IPOs. The State's funding levels in Q1 and

Q2 were greatly supported by several large funding events which could be seen as aberrations, including Fastbrick Robotics and Power Ledger.

In addition, while Techboard had categorised Brainchip (which raised \$21m in an IPO in Q2) as an Australian Startup as it originated in Western Australia where inventor and Founder Peter van der Made was based, all R&D and the bulk of spend for the company would now appear to be offshore with no technical staff located in Australia.

Looking at funding events on a quarterly basis funding in WA peaked in Q2 but that the overall trend for the financial year was downward. When compared to other states, funding in Western Australia was ahead of the national average (on a per capita basis) for Q1 and in Q2 with Western Australia being the second highest performing state on a funding per capita basis for Q1, equal highest in Q2, falling to half the national average in Q3 with a slight comparative recovery in Q4.

Western Australia - Distribution by Category



The most funded categories (on a primary category basis) were Energy 13.7% Robotics, 11.9% and Health and Biotech 9.3% Consumer goods at 8.5%, Safety and security at 7.6% Artificial Intelligence at 7.4% and Engineering and Construction at 6.8%.

When considered on a multiple category basis the most significant category in Western Australia by value was Fintech/Crypto with \$51.8m or 17% of all funds raised. A large part of this funding went to Power Ledger (\$35.3), Bitcar (\$8.6m). When compared to national funding levels into Fintech/Crypto of just over \$1b WA's share of that funding amounts to just 5% of national funding.

On the whole it could also be observed that Western Australia saw a limited range of categories of companies funded in when compared to other states.

It is possible that the decline in funding into startups and young tech companies via placement could be a seasonal phenomenon, it is also possible that a reported improvement in the resources economy may be contributing to a reduction in startup and tech funding.

Additional Tables: Distribution of Funding Events

Category by Number and Value

Category	Number	\$m
Telecom	11	744.93
Fintech	66	635.56
Health and biotech	70	290.24
Travel	18	248.92
Marketplace	34	203.80
Property	22	160.67
Adtech and martech	34	128.51
Crypto	10	127.68
Transport and Logistics	16	101.04
People solutions	39	88.79
AI	26	77.47
Business software	34	72.70
Safety and security	28	67.46
IoT	15	57.34
Consumer goods	23	54.41
Data analytics	14	47.86
Energy	19	47.76
Agritech	30	43.38
Robotics	7	36.66
Edtech	24	35.52
CleanTech	18	34.06
Social media	7	30.06
Engineering and construction	20	29.44

Continued...		
Media	8	22.35
Food and drink	23	19.04
Entertainment	15	17.90
Drones and aviation	14	17.49
eSports	5	16.61
Blockchain	8	14.73
Sport and fitness	15	13.63
Regtech	6	12.54
Hardware and devices	10	12.44
Resources	5	9.09
Location and mapping	3	6.20
Space and Satellites	5	5.97
Legaltech	3	2.77
Automobiles	9	2.41
Insurtech	3	1.85
Defence	3	0.93
Parenting	6	0.93
VR and AR	7	0.78
Social enterprise	2	0.33
Gaming	1	0.06
Total	736	3542.27

Funding Type by Number and Value

Funding Type	Number	\$m
Debt	16	918.7
VC	118	909.9
Placement	63	905.6
ICO	29	298.6
IPO/RTO	22	170.1
Acquisition	18	151.3
Angel/seed	130	80.9
Grant	181	66.7
Reward Crowdfunding	4	21.8
Accelerator	149	7.8
Equity Crowdfunding	5	6.0
Total	736	3543

Funding Events by Value Range

Value range	Number
\$100m +	6
\$50- <\$100m	8
\$20- <\$50m	18
\$10- <\$20m	33
\$5- <\$10m	76
\$2- <\$5m	82
\$1- <\$2m	69
\$500k -<\$1m	68
\$100k- <\$500k	145
<\$100k	230

State by Number and Value

State	Number	\$m
ACT	10	2.8
New South Wales	281	1580.8
Queensland	139	766.9
South Australia	59	110.2
Tasmania	2	2.8
Victoria	150	783.8
Western Australia	95	294.9
Total	736	3543

Acknowledgements:

Techboard would especially like to thank Melbourne Angels, Brisbane Angels, Gold Coast Angels and Perth Angels for their on-going collaboration and all people who submitted information to us via our new [Funding Event submission form](#) and companies who announced their funding events on Techboard using our [announcements platform](#).