

**AUSTRALIAN STARTUP &
YOUNG TECHNOLOGY COMPANY**

**FUNDING REPORT
MARCH Q 2020**

© Acceleration Venture Catalysts Pty Ltd 2019
First Published 21 May 2020
<https://techboard.com.au>
funding@techboard.com.au

Executive Summary	2
Report Background	3
Where does Techboard get its data for this Report?	4
Which companies are included in this Funding Report?	4
What is meant by “startups and technology companies”?	4
What does “Australian” mean?	4
What is meant by ‘Young’ for Technology companies??	4
Why are ASX Listed Companies included?	4
Categorisation of Companies	4
What type of funding events are included in this Funding Report?	5
Accelerator	5
Acquisition	5
Equity Crowdfunding	5
Debt	5
Grant/Award	5
ICO (Initial Coin Offering)	5
IPO/RTO (Initial Public Offering/Reverse Takeover)	5
Placement	6
Private Investment	6
Overview of the Techboard Directory	6
About Techboard	7
Analysis by State	8
Analysis by Category/Sector	9
Analysis by Funding Type	11
Private Investment	12
Public Investment	13
Acquisitions	13
Debt Financing	13
Equity Crowdfunding	14
Accelerators	14
Grants	14

Executive Summary

In the March quarter 2020 Australian startups and young technology companies secured \$1.75 billion in funding. This was one of the strongest quarters overall we have seen since the March Quarter 2019 at \$2.739m (which included the PEXA acquisition at \$1.6b). Techboard started collecting national funding data in 2017).

The March quarter was dominated by several very large funding events from Neobanks and fintech lenders (Xinja, Judo, Get Capital, Society One and Volt Bank), representing 74% of all funding for the Quarter. The March quarter was biggest quarter for private investment Techboard has reported, with \$1.2b captured. A very large proportion of the private funding was for fintech (79%), and in particular neo banks with the top 3 private investments for Xinja, Judo Bank and Volt Bank totalling \$903m of the \$962m raised by fintech companies.

For the quarter, March was the biggest month by total funding level at \$803m, which was up only slightly from the \$741m captured in February. January was slow as would be expected with fewer large funding events and a total of \$208m although funding events by number were reasonably evenly spread between the months. The size profile of funding events was also similar between February and March.

Highlights for the March Quarter

\$1.75b in funding captured

\$1.2b in Private funding - a record level since Techboard began collecting national funding data in 2017.

Largest funding event and largest Private investment - Xinja \$433m

Largest IPO - Thedocyard, \$26.5

Largest placement listed fintech WISR with \$33.5m

Largest reported Debt with fintechs GetCapital and SocietyOne each announcing \$100m facilities.

Largest reported value acquisition of Edtech Smart Sparrow by education sector behemoth Pearson for \$36m.

Largest grant to Western Australian industrial Tech player, Hazer Group who were awarded \$9.4m ARENA funding

Largest Equity Crowdfunding Raise was Seabin with a \$1.8m raise on the Birchal Platform.

Most funded Category/sector was Fintech with 74% of overall funding and 79% of private funding.

New South Wales companies secured over \$1b in funding representing 56.8% of the overall funding for the quarter, with Victorian companies securing \$616m (34.8%).

Report Background

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 3500 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 funding events are reported to Techboard by Investors, Government Agencies and Investment Groups.

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. Western Australia 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. As can be seen in this report the levels of funding raised by early stage listed tech companies are in the same ballpark to what is raised by private companies from venture capital and other private investors.

Categorisation of Companies

In the absence of a suitable categorisation approach, Techboard 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, 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 private investment including venture capital

Which companies are included and which are excluded? It is sometimes difficult to determine if a company and its funding should be included in Techboard Reports due to a number of factors, particularly where the company's funding events are so large that they will have a distorting effect overall on the figures.

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 an 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.

Equity Crowdfunding

The term "Equity Crowdfunding" is used in this report to refer to a capital raise under recent 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

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/Award

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. Where a government body enters into a purchase or procurement contract with a company which is in effect funding the development of a technological outcome to be delivered under the contract this is treated as a grant.

ICO (Initial Coin Offering)

An ICO (Initial Coin Offering) or Token Generation Event is where a company has a 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 private investment.

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 the strong focus being on IPOs.

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.

Private Investment

In this report all private investments including investments made by venture capital funds, corporates and individuals (other than investments made as a part of acceptance into an accelerator program or equity crowdfunding) are recorded by Techboard as Private Investment. This is regardless of how the round is described. Private Investment also includes investments that are made by way of convertible note.

Overview of the Techboard Directory

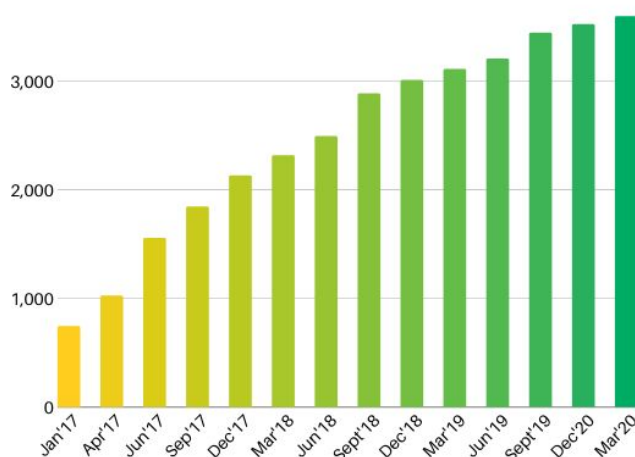
Techboard is growing and maintaining the largest directory of Australian startups and tech companies ever assembled. Features:

- As at the data of publication Techboard has 3,591 published company profiles
- 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.

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.

Number of Company Profiles on Techboard



About Techboard

Techboard is a startup and tech data company which focuses on data relating to funding events for Australian startup and young technology companies. Techboard collects this funding data to provide to its commercial subscribers and to enable it to produce funding reports that chronicle the growth of the Australian startup and tech ecosystem.

Techboard has been collecting Australian startup and tech company data since just after first launching in mid 2015. Initially the data collection was just an input into the now defunct Techboard Ranking of trending startups and young technology companies which Techboard published until the end of 2017. At the beginning of 2018 The Techboard team decided to stop producing the Techboard Ranking and startup and tech company funding data collection became Techboard's core focus.

The Techboard team believes that good quality accessible data is important for the ecosystem. This data is capable of influencing policy, investment tendencies, preferences and activity and aids in market efficiency. Techboard reports provide a meaningful and useful overview of activity levels and market trends. Techboard data is quoted by organisations such as StartupAus, StartupWA, Westpac (Emerging Industries Report), Austrade ("Why Australia" Report), EY Fintech Audit report, Fintech Australia, InnovationAus and often cited by journalists, both in articles written about Techboard Reports and more generally in many media channels.

The Techboard team intends to continue to make its funding reports freely accessible to inform the market and public debate however Techboard is now also monetising its data by providing access to the underlying data behind its reports to commercial subscribers and corporate partners. Techboard's early customers are the Australian Government via the Department of Industry Innovation and Science and Austrade/Landing Pads, the Victorian Government via LaunchVic and the City of Sydney. Techboard's first non-government customer is Sydney-based co-working space operator Tank Stream Labs. Techboard also gets financial support from corporate partners such as AWS and Radium.

Techboard's funding data subscribers and partners are currently able to search and filter our funding tables to get all sorts of insights. Over coming months Techboard will be working to make the funding events and funders much more searchable in order to better enable:

- Entrepreneur's ability to use the data to help build a shortlist of suitable investors or other funders.
- Investors to identify potential co-investors
- Investors to track companies that may be later securing investment
- Public bodies and others to understand and monitor their ecosystem

All of this information is available to Techboard's Corporate Partners and funding data customers.

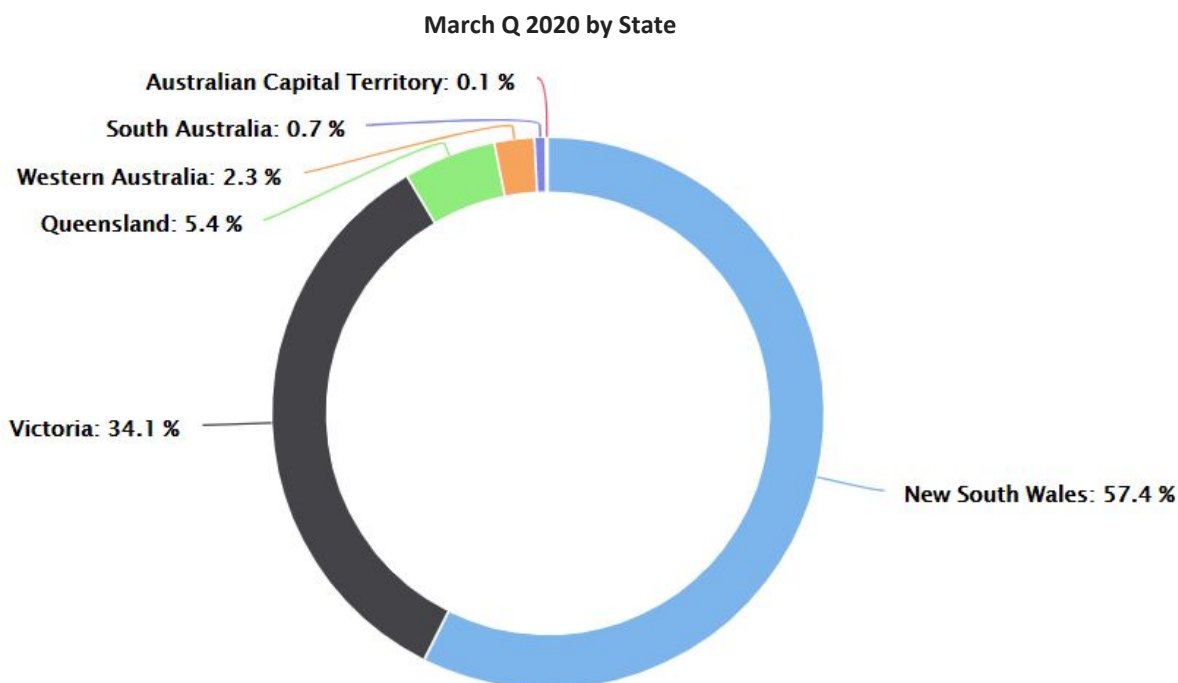
Analysis by State

In both the March quarter the two largest states took a significantly higher percentage of overall funding than usual, 91.6% with NSW companies securing over \$1b in funding representing 57.4% of the overall funding for the quarter and Victorian companies securing \$616m (34.1%). New South Wales Companies saw twelve companies with private raises in excess of \$10m including Xinja's \$433m, Volt Bank's \$70m, Practifi \$23.6m, SpeedX \$22.2, Zookal \$15 and Indebted with \$14m. NSW also had the two large debt financings mentioned above, thedocyard IPO, the WISR placement and the acquisition of edtech Smart Sparrow.

Queensland took 5.4% of reported funding with major raises by Arkose Labs (\$22m), Outfit.io (\$19.5m), Clipchamp (\$13.2), large grants to Vaxxas (\$7.5m to work on a Covid19 vaccine) and Gilmour Space Technologies (\$3m) and the acquisition of Firemate Software for \$18.2m. Western Australian companies took 2.4% of the funding pool with significant events including Hazer Group's \$9.4m ARENA grant, the acquisition of APE Mobile by ASX listed Damstra for \$5.5m a \$5m series A investment into Roborigger and a number of small to medium size placements. Western Australia also had the Icetana IPO which raised \$5m.

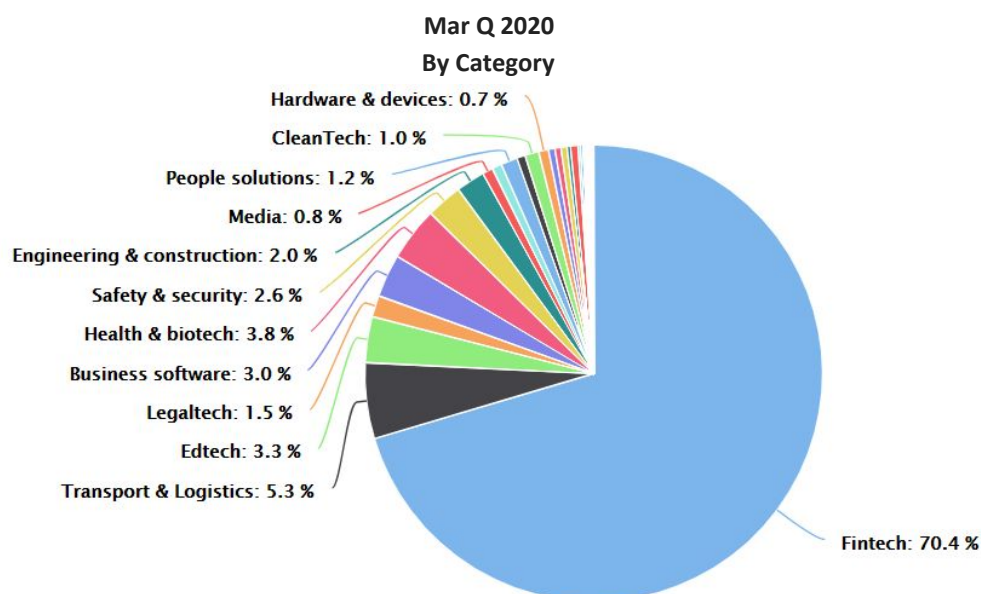
South Australian companies saw 0.7% of national funding with the most notable funding event for the quarter being the \$9m IPO by AML3D. The ACT saw several companies receive Accelerating Commercialisation grants No eligible funding events were identified for Northern Territory or Tasmanian companies during the March Quarter.

As is the case in most funding periods, New South Wales companies dominated with \$914m in funding for the quarter, across 85 funding events accounting for 53% of all funding for the quarter.



Analysis by Category/Sector

Fintech companies absolutely dominated with \$1.234b in total funding representing 74% of overall funding and \$962m in private investment. Health and Biotech saw \$96m of funding. Transport and logistics \$94m and Edtech and Business Software each seeing over \$50m in funding. It is interesting to note that many of these categories are among those that many commentators are saying will do the best through this period of uncertainty.



Top 10 Funded Fintechs March Q 2020

Company	Amount (\$m AUD)
Xinja	433
Judo Bank	400
SocietyOne	115
GetCapital	110
Volt Bank	70
Wisr	33.5
Afterpay	33
InDebted	14
Credit clear	9
ezycollect	7.1

Top 5 Funded Health and Biotech Companies March Q 2020

Company	Sum of Amount (\$m AUD)
Atomo Diagnostics	30
SpeedX	22.2
Mable	15
Vaxxas	7.5
Zelira Therapeutics	5.0642759

Top Funded Transport and logistics Companies March Q 2020

Company	Amount (\$m AUD)
Practifi	23.6
Outfit.io	19.5
Ape mobile	5.5
Dovetail	4

**Top Funded Edtech Companies
March Q 2020**

Company	Amount (\$m AUD)
Smart Sparrow	36
Zookal	15
Vivi	6.1

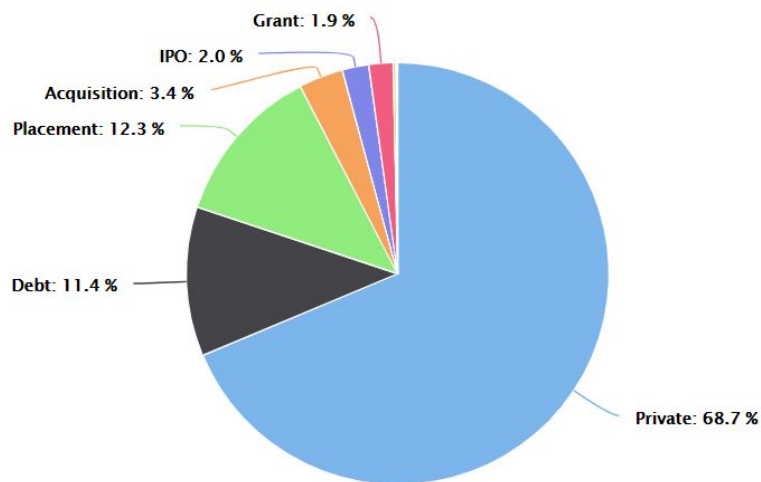
**Top Funded Business Software
Companies
March Q 2020**

Company	Amount (\$m AUD)
Practifi	23.6
Outfit.io	19.5
Ape mobile	5.5
Dovetail	4

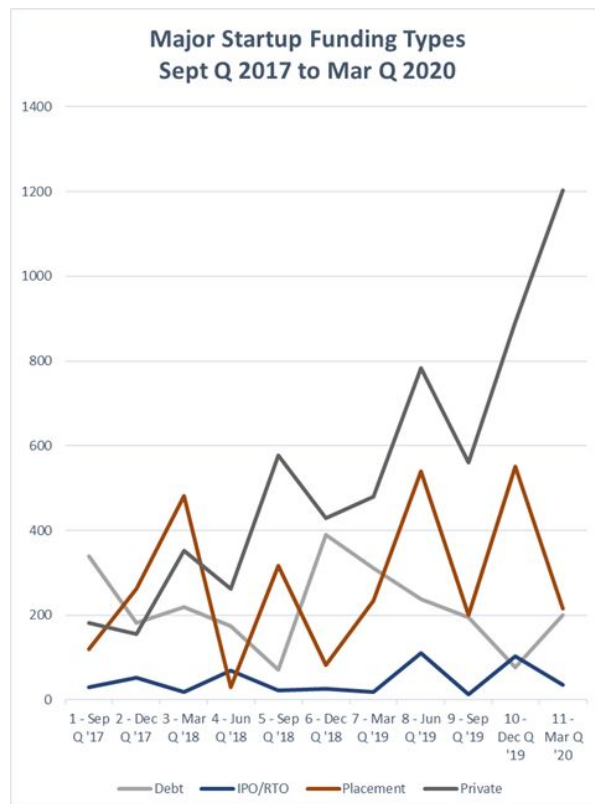
Analysis by Funding Type

The strength of funding in the March quarter was mostly due to the record level of private funding of \$1.2b which was the highest quarterly level of private funding captured by Techboard to date. Commentary on significant funding types is provided below. No separate commentary is provided on Crypto raises, which seem to have disappeared or reward crowdfunding as none were captured for the quarter.

Mar Q 2020 Funding by Funding Type



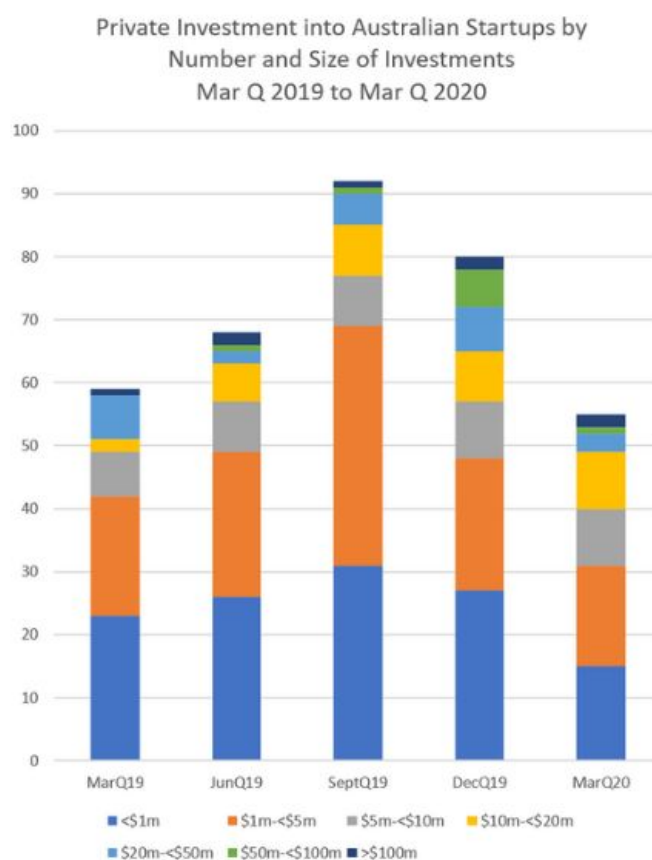
The following chart shows general upward trends in funding across private and public investment (across Placements and IPOs) and a general downward trend for venture debt.



Private Investment

The \$433m raised by Xinja at the time broke the record for the largest single investment into an Australian startup (the previous largest of \$400m was by Judo Bank). In addition to the \$1.2b we noted four significant private tech investments totalling a further \$161m which were identified as ineligible for inclusion in our overall figures for being greater than 10yrs old). These included Siteminder's \$100m+ investment from Blackrock which saw it hit unicorn status and Pegasus Management who raised \$28m. Including these amounts takes total private funding for the quarter to over \$1.5b (\$1.579m) from 70 deals (this is excluding companies accepted into Accelerators).

The following chart shows movements in deal number and size for private investments and illustrates a likely move away from the growth trend apparent throughout 2019.



10 largest private raises

Company	Amount (\$m AUD)
Xinja	433
Judo Bank	400
Volt Bank	70
Practifi	23.6
SpeedX	22.2
Arkose labs	22
Outfit.io	19.5
Zookal	15
SocietyOne	15
Mable	15

Public Investment

During the March quarter startup and tech companies on the public markets raised lower amounts than average, down over 40% from the 2019 quarterly average on post-listing raises, with \$215m being raised by placement and other forms of post listing raises. Notable post-listing raises were by Getswift who raised \$69.3m, Titomic, with \$38m and fintechs Afterpay with \$33.5 and WISR with \$33m.

10 Largest Post-Listing Raises

Company	Amount (\$m AUD)
Getswift	69.3
Titomic	38
WISR	33.5
Afterpay	33
Dragontail Systems	19.25
Tinybeans	12
Zelira Therapeutics	5.0642759
Resapp Health	5
Yojee	3.2
Selfwealth	3
Nuheara	2.5

The amount raised in IPOs was also down over 40% from the 2019 quarterly average with only two eligible IPOs occurring, with Legaltech thedocyard and metal 3d printing company AML3D raising \$26.5m and \$9m respectively. A further tech IPO took place for Yuuwa Capital backed video analytics company Icetana, but this has not been included due to the company's age.

Acquisitions

Acquisitions with a total reported value of \$59.7m accounted for 3.4% of funding with ten captured (although with only four revealing the value of the transactions). They included the acquisition of Edtech Smart Sparrow by education sector behemoth Pearson for \$36m, Firemate Software for \$18.2m and APE Mobile by ASX listed Damstra for \$5.5m. Another notable acquisition was of Fintech Earnd for an undisclosed sum by Australian-founded Greensil who raised a massive \$1.15b from Softbank in 2019. ASX listed Telecoms company Ziptel (ASX:ZIP) also announced that it would be acquiring Fintech Dough, in what is a reverse listing. The Dough acquisition will most likely be reported further in the June Quarter.

Debt Financing

Reported debt financing was 9% down from the 2019 average to a touch over \$200m, mostly comprising GetCapital and SocietyOne who each secured \$100m in debt financing. During the quarter both companies reported private raises of \$10m and \$15m respectively.

Equity Crowdfunding

Equity crowdfunding was slower for startup and tech companies than previous periods at \$3.9m down from \$6.6m in the December quarter.

Accelerators

Five Accelerators announced new cohorts during the quarter with 28 companies securing between \$50k and \$100K, totalling \$1.65m down 24% from the 2019 quarterly average.

Grants

Australian startups and young tech companies secured over \$32m in grants during the March quarter, up 31% from the 2019 average. Significant awards were \$9.4m to HAZER group from ARENA for its Hydrogen generation technology, \$7.5m to VAXXAS from the Bill and Melinda Gates Foundation for its work on a COVID19 vaccine and \$3m to satellite maker Myriota.

March Quarter 2020 - Top 10 Funding Events									
NO.	COMPANY	STATE	DATE	DESCRIPTION	AMOUNT (\$M)	INVESTORS	FUNDING TYPE	PRIMARY CATEGORY	SOURCE
1	Xinja	New South Wales	24/03/2020	Raised a private round	433	Available to Subscribers	Private	Fintech	Available to Subscribers
2	Judo Bank	Victoria	6/02/2020	Raised a 3rd private round	400		Private	Fintech	
3	GetCapital	New South Wales	8/03/2020	Secured a Debt facility	100		Debt	Fintech	
4	SocietyOne	New South Wales	11/02/2020	Established a funding wareho	100		Debt	Fintech	
5	Volt Bank	New South Wales	20/01/2020	Raised a Series C Round	70		Private	Fintech	
6	GetSwift	Victoria	11/03/2020	Post listing capital raise	69.3		Placement	Transport & Logistics	
7	Smart Sparrow	New South Wales	2/02/2020	Acquired	36		Acquisition	Edtech	
8	Wisr	New South Wales	18/03/2020	Post listing capital raise	33.5		Placement	Fintech	
9	Afterpay	Victoria	22/01/2020	Post listing capital raise	33		Placement	Fintech	
10	thedocyard	New South Wales	19/02/2020	Completed an IPO	26.5		IPO	Legaltech	
11 to 170						Available to Subscribers			

Discover more about Techboard's data subscriptions at <https://techboard.com.au/accessing-techboard-funding-data/>