



**BREAKTHROUGH
VICTORIA**

**CATALYST
FOR CHANGE**

INVESTMENT GUIDELINES

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BACKGROUND

Breakthrough Victoria is starting the journey to find the next medical breakthrough that will improve and save lives, the next digital technology that will transform the way we live, new ways to feed the world sustainably and affordably, and to help lead the way on climate change and reducing waste.

Breakthrough Victoria, through its Catalyst for Change investment stream, will invest in commercial entities that have demonstrated some early market traction and have tested market need and alignment.

OBJECTIVES

Breakthrough Victoria will be an early investor where traditional venture capital firms might consider projects to be too high risk. The Catalyst for Change investment stream is Breakthrough Victoria's demonstration of its desire to lead investments, make higher risk investments and support companies to enter the market. This stream addresses the funding gap between a minimum viable product and meeting market need.

ELIGIBILITY

Businesses and entities that can apply to the Catalyst for Change investment stream are:

- Companies of any size, at the pre-revenue or revenue stage.
- Joint ventures, consortia, special purpose vehicles, comprising either industry or research organisations, or a combination.

Projects must have novel and protected (or soon-to-be protected) IP with high commercial potential and have an identified target market, or area of need in priority sectors such as:

- Health and life sciences
- Agri-food
- Clean economy
- Advanced manufacturing
- Digital technologies

Novel proposals from other emerging industry areas are also welcomed by Breakthrough Victoria.

THE CATALYST FOR CHANGE INVESTMENT STREAM

As well as the above criteria, proponents must submit a business case with:

- A validated target market, or area of need.
- Solid projections for market traction, revenue and returns.
- A plan to scale operations.
- A contribution to broader environmental, sustainability or social well-being goals.
- Economic benefits to Victoria including job creation, investment attraction, reduced public spend, or delivery of a social good.
- Acknowledgment of any partners pertinent to the project and evidence of financial and in-kind commitment.

Projects may also be favourably assessed if they:

- Enable or contribute to the development of sovereign manufacturing capability of critical products.
- Deliver broader economic benefit such as workforce or skills uplift or opportunities.
- Leverage existing investment or have the potential to attract further co-investment.
- Demonstrate regulatory pathways.
- Show a path to market.
- Demonstrate a future pipeline for technology or capability development.
- Have an IP portfolio management plan.
- Present a feasibility study including impact assessment.
- Have a cost benefit analysis.
- Attract other funding including Commonwealth, philanthropic or other investors.

INVESTMENT

Investments for this stream will typically attract \$10 million per investment. Proponents will need to have 1:1 co-contribution for the investment they are seeking from the Catalyst for Change stream. Breakthrough Victoria may also work with private and institutional investors for co-investment.

Breakthrough Victoria has a great deal of flexibility with the types of investment that might best suit a project. In the Catalyst for Change investment stream, direct investment could be by way of equity, commercial support, convertible loan or debt, or have institutional co-investors alongside Breakthrough Victoria.

An investment might typically be used for:

- Expanding operations.
- Increasing market penetration.
- Developing scalable business models.

INVESTMENT PROPOSAL SUBMISSION PROCESS AND ASSESSMENT

An investment proposal must be submitted to Breakthrough Victoria at www.breakthroughvictoria.com along with a detailed business case.

Breakthrough Victoria will contact proponents if further information is required or to progress discussions.

TERMS AND CONDITIONS

- There is no guarantee that an investment proposal will be supported for funding, or that the amount of funding requested will be offered.
- All investment proposals will be assessed against their ability to meet the objectives of the Catalyst for Change investment stream.
- The decision of Breakthrough Victoria is final. There is no right of appeal.
- No binding agreement, process contract or other understanding will exist between Breakthrough Victoria and any proponent unless and until Breakthrough Victoria signs a formal written contract.
- Breakthrough Victoria may require a proponent to enter into a non-disclosure agreement (NDA) or other written contract on such terms as Breakthrough Victoria deems appropriate, following assessment of the investment proposal.
- The proponent agrees that all costs and liabilities incurred by the proponent arising from, or in connection with, any investment proposal will be borne by the applicant.
- The proponent should not include any information which it would like to be treated as confidential, commercial in confidence or protected in any way.

Breakthrough Victoria has the right to:

- Enter or not enter any written contract with a proponent in relation to any investment proposal.
- Progress the whole or any part of any investment proposal.
- Reject or refuse to consider the whole or part of any investment proposal.
- Proceed or not proceed with any investment proposal.
- Require additional information from any proponent in connection with any investment proposal.
- Permit any proponent to modify the subject matter of any investment proposal.
- Not attribute any reasons for any actions or decisions taken.
- Terminate the investment proposal submission process at any time, with or without notice to any proponent.

If the investment proposal is successful, the subsequent legally binding agreement with the proponent will include details of the project, and proposed outcomes, milestones and conditions.

REPORTING

All successful proponents must comply with performance monitoring requirements, submit written reports, attend all meetings with Breakthrough Victoria and participate in any formal evaluations of the Catalyst for Change investment stream.

A successful business or entity will be legally obliged to report back to Breakthrough Victoria regularly and as key milestones are met.

CONTACTS & FURTHER INFORMATION

Breakthrough Victoria can be contacted via email at contact@breakthroughvictoria.com.

Engagement with Breakthrough Victoria or any Victorian Government representative does not constitute endorsement of any expression of interest for funding.

All proponents will be notified of the outcome of their investment proposal.