



CREATING THE PIPELINE

FREQUENTLY
ASKED QUESTIONS



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What type of businesses or ideas is the Creating the Pipeline stream looking to invest in?

Breakthrough Victoria is looking to commercialise discoveries in future technologies and priority sectors. These will be early-stage ideas for the development of prototypes, proof-of-concept trials, market validation and development of minimum viable products.

Breakthrough Victoria will consider proposals for potential commercial products and wrap expertise, support and, if necessary, funding around these projects to test and validate commercial potential.

The company or entity's proposal should have novel and protected (or soon-to-be protected) intellectual property (IP) with high commercial potential, and have an identified target market, or area of need.

What is the rationale for investing in Creating the Pipeline proposals?

This investment stream bridges the critical funding gap between research discoveries and the commercial development of new technologies and new ventures.

What are the priority sectors that Breakthrough Victoria is focussing on?

Breakthrough Victoria will target investments across five priority industry sectors:

HEALTH AND LIFE SCIENCES

AGRI-FOOD

CLEAN ECONOMY

ADVANCED MANUFACTURING

DIGITAL TECHNOLOGIES

Will Breakthrough Victoria consider a proposal not related to these sectors?

Novel proposals from other emerging industry sectors are welcomed. All proposals need to be a potentially unique innovative solution to a substantial societal or economic challenge.

Does the commercial entity have to be based in Victoria?

Proponents must either be based in Victoria or be willing to relocate to Victoria.

Who can apply for funding?

- Research organisations, including universities and research institutes
- Companies of any size, at the pre-revenue or revenue stage
- Joint ventures, consortia, special purpose vehicles, comprised of either industry or research organisations, or a combination.

How much is Breakthrough Victoria likely to invest in a company or entity that is successful in its application to the Creating the Pipeline investment stream?

Investments for this stream will typically attract \$2 million per investment. Proponents will need to have 1:1 co-contribution for the investment they are seeking from the Creating the Pipeline stream. Breakthrough Victoria may also co-invest alongside private and institutional investors.

What form could the investment take?

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

Does attracting an investment in the Creating the Pipeline stream guarantee or prevent a company or entity from receiving further investments from Breakthrough Victoria?

Companies or entities that secure a Creating the Pipeline investment can apply for follow-on investments from other Breakthrough Victoria investment streams, which will be assessed based on the funding criteria specific to those streams.

What are the two later investment streams called?

- Catalyst for Change, which will invest in companies entering the market or that have demonstrated some early market traction and need to develop scalable business models.
 - Catalyst for Growth, which will make significant and long-term investments in established and well-performing companies in Victoria that are seeking to scale up to meet regional or global demand.
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How does a company or entity seek investment by Breakthrough Victoria?

Proponents must submit an investment proposal to Breakthrough Victoria at www.breakthroughvictoria.com. This needs to include information on the commercial, financial and technical parameters of the proposal.

What type of questions will a company or entity be asked in its investment proposal?

A proponent will be asked to:

- Describe its proposal, including the key benefits it would bring to Victoria and the problems it would solve.
 - Say what is stopping it from progressing or commercialising its proposal.
 - Explain how partnering with Breakthrough Victoria will progress the proposal.
 - Estimate the cost of its proposal, the investment type and amount sought from Breakthrough Victoria.
 - State what funding it has already secured, including any industry partnerships or commercial agreements.
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Will a company or entity's investment proposal be disqualified if it nominates the wrong stream?

No. In that situation, Breakthrough Victoria will assess the investment proposal and, if it looks commercially viable, suggest a different investment stream.

If Breakthrough Victoria seeks to progress discussions towards investment, what is the next step?

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

Could Breakthrough Victoria also suggest other investors or partners in a proposal?

Yes. Breakthrough Victoria is always on the lookout for additional investors or partners and encourages private and institutional investors to become involved.

Will Breakthrough Victoria investments always succeed?

There are no guarantees that co-investors will get a return, nor that commercial entities invested in will make a profit.

How can potential investors contact Breakthrough Victoria?

From 23 November 2021, potential investors will be able to register their interest in partnering or co-investing with Breakthrough Victoria via our website www.breakthroughvictoria.com.

How closely will Breakthrough Victoria monitor the companies or entities that it invests in?

Breakthrough Victoria will be an advocate for the company or entity, without being actively involved daily or maintaining stewardship. A successful company or entity will be legally obliged to report back to Breakthrough Victoria on a quarterly basis and as key milestones are met.

Is the Breakthrough Victoria business model like any successful investment schemes overseas?

Like other successful investment schemes overseas, Breakthrough Victoria has adapted world best practice to tailor its business model to the unique challenges and opportunities in Victoria.

How closely will the investments by Breakthrough Victoria be monitored for the reassurance of Victorian taxpayers?

Breakthrough Victoria answers to an independent board and has a constitution and statement of principles including target sectors and expected outcomes. It reports regularly on the progress of each company or entity invested in.

Why should a company or entity seek investment from Breakthrough Victoria?

Breakthrough Victoria, through its investment streams, empowers the mobilisation of intellectual property from readiness to outcomes and aims to ensure that new products, technologies and innovations are commercialised and manufactured in Victoria to create the jobs of the future.

Breakthrough Victoria is on the journey to find the next medical breakthroughs that will improve and save lives, the next digital technologies that will transform the way we live, new ways to feed the world sustainably and affordably, and innovations that will lead the way on climate change and waste reduction.

Importantly, Breakthrough Victoria will invest in such projects with the objective of also producing a commercial return to the government and people of Victoria. Breakthrough Victoria aims to be a sustainable and patient investor delivering social, economic and financial outcomes to the state over the long term.