



LaunchVic Public Grant Round Guidelines

GROWING VICTORIAN ANGEL NETWORKS

Catalyse Early Stage Startup Investments



BACKGROUND

Over the past two years, LaunchVic has provided funding to support the establishment of five successful new Angel Networks to help build a robust Victorian investor community and to unlock more capital for Victorian Startups. These networks are already playing an important role in developing the Victorian startup ecosystem – providing an avenue of funding for founders, supporting startup investors to syndicate, and providing capital in a structured and purposeful way at the critical early stages of startups' journey. To date over 200 new investors have been recruited by these networks investing more than \$5m into Victorian startups. Despite this growth in formal angel networks, LaunchVic recognises that this number of angel groups is lower than in peer ecosystems. With a rise in investor education programs, there is also a growing number of informal syndications. By providing operational funding and support LaunchVic seeks to encourage formalisation of more angel networks, providing an opportunity for growth in early-stage investments in Victorian startups and an increase in the early-stage investor pool.

OBJECTIVES

The objectives of this funding are to:

- Increase access to early-stage capital by Victorian Startups, by activating dedicated Angel Network(s) specialising in making seed investments in startups; and
- Increase the number of new informed and active early-stage investors who want to invest in Victorian startups, by providing support for Angel Investors through formalised Angel Networks.

LaunchVic is seeking proposals from applicants to launch an Angel Network in the State of Victoria, that will primarily focus on investing in Victorian startups. Applications can be for sector specific or generalist angel networks. Successful grant applicants will receive funding of up to \$300,000 (exclusive of GST) over 2 years. Funds can be used for Operating Costs.

DEFINITIONS

The below definitions apply to this Grant Round:

- **Angel Investor** is an investor with a high risk appetite who provides seed investments into early-stage startup ventures, prior to institutional investors including venture capitalists. Typically, Angel Investors provide more than investment alone – they bring business experience, mentorship and networks that can help the invested startup accelerate its growth.
- **Angel Network** is a formalised group of Angel Investors that collectively evaluate and invest in entrepreneurial ventures. For the purposes of this grant round, Angel Networks include:
 - Angel syndicates/groups where individual Angel Investors join together with other angels to evaluate and invest in entrepreneurial ventures; and

- Angel networks that match entrepreneurs and Angel Investors, but remain neutral and generally refrain from formally evaluating business plans or angels.
- **Existing Angel Network** is an established Angel Network of Angel Investors that is registered as an incorporated association or as a company through ASIC.
- **New Angel Network** a new Angel Network is a group of Angel Investors that have not formally registered as an incorporated association or as a company through ASIC.
- **Operating Costs** include staff salaries, event costs, insurance, accounting costs, legal costs, marketing costs and any other reasonable costs to support the operations of the Angel Network.
- **Startup** is a young technology-based business that uses innovation to scale rapidly and capture market at a high velocity. Examples of technology include software/apps, artificial intelligence (AI), blockchain, advanced manufacturing & robotics, Internet of Things (IoT), big data analytics, augmented / virtual reality, 3D printing, advanced materials, genomics & life sciences (including Biotech & MedTech) and autonomous vehicles.

ELIGIBILITY

Applicants must satisfy the following eligibility criteria:

1. Applicants must have demonstrable expertise in investing and / or supporting startups, and understand the key issues relevant to investing;
2. Applicants must be willing to establish a presence in Victoria and invest in Victorian startups;
3. Applicants must be seeking funding to either:
 - i. support the establishment of a New Angel Network in the State of Victoria by registering as an incorporated association or as a company in the State of Victoria through ASIC; or
 - ii. enable an Existing Angel Network currently registered with ASIC outside of the State of Victoria to establish its first official branch/office in the State;
4. Applicants seeking up to \$300,000 (exclusive of GST) over 2 years are eligible; and
5. Applications must be submitted via the [LaunchVic online application system](#) before the closing date and time to be eligible.

The following applicants are ineligible to apply:

- Existing Angel Networks currently funded by LaunchVic
- Applicants seeking funding for another proposal unrelated to a Victorian Angel Network.

APPLICATION REQUIREMENTS

Applicants are required to address the following Key Assessment Criteria via the LaunchVic online application system. Included below are the required responses and the maximum word count for responses. Shortlisted applicants will be required to attend the Pitch Day.

KEY ASSESSMENT CRITERIA

	Response Required	Word Count (Maximum)
1. Angel Network Summary	a. What is your investment thesis and approach to angel investment in startups? Please outline specific sectors you will be targeting.	250 words
	b. Why you are formalising this new Victorian Angel Network, how much funding is required and why is LaunchVic funding required?	150 words
	c. How will the Angel Network address diversity and inclusion in its investment portfolio?	150 words
2. Membership	a. Upload a list of Current or Committed Angel Investors. Information to include: Name, Email, Location (State), Status (current 'member'/committed to join/in discussion/not approached yet). <i>Information will be kept strictly confidential, LaunchVic may contact a sample for verification.</i>	Upload
	b. If funding is awarded, how many Victorian Angels are committed to become part of the Angel Network in: 3 months and 6 months?	Numbers
	c. How will new Angels be recruited and what requirement, if any, must Angels meet in order to join the network?	200 words
	d. What support, if any, will be delivered to support Angel Investor education, and the startup sector more broadly? (e.g. workshops, office hours)	200 words
3. Experience and expertise (Key Personnel)	a. Who will run the Angel Network? If this is unknown at this stage, please indicate.	Name LinkedIn
	b. Outline the Key Personnel for the Angel Network, including operations of the Angel Network (if known) and leadership of the Angel Investors, and their relevant expertise & experience with: <ul style="list-style-type: none"> expertise in investing and/or supporting startups, and understanding of key issues relevant to investing in the sectors. entrepreneurship and driving high-growth companies negotiating early-stage investments in startups Investments made in early-stage startups 	Table - Full Name - Role - LinkedIn - Relevant Experience (75 words each max.)

4. Deals	How many deals in Victorian startups do you expect to close in: Year 1 and Year 2? Provide details on the expected average investment per deal.	Numbers 75 words
5. Operating Model and Organisational Structure	a. Upload the proposed organisational structure for the Angel Network.	Upload
	b. How will the Angel Network support follow-on funding? Include any details of the core team's relationships with VCs.	150 words
	c. Upload a clear timeframe of your process for investing in startups from initial approach to final decision.	Upload
6. Finance and sustainability	a. What will the annual operating costs of the Angel Network be in: Year 1, and Year 2?	Numbers
	b. Budget: outline the expenditure (Operating Costs) of the 2-year LaunchVic grant <i>NB: Operating Costs include staff salaries, event costs, insurance, accounting costs, legal costs, marketing costs and any other reasonable costs to support the operations of the Angel Network.</i>	Table
	c. When, and how, will the Angel Network achieve long-term sustainability?	150 words
7. Support for Startups	What form of support will the Angels within the network be expected to provide to invested startups?	150 words

ASSESSMENT AND SELECTION

Applications must be submitted via the [LaunchVic online application system](#) by the specified deadline.

All applications will be assessed for eligibility by LaunchVic. Applications that do not meet the eligibility criteria will not be assessed.

Eligible grant applications will be assessed against the Key Assessment Criteria by an “Assessment Panel” (comprising at least three LaunchVic staff) and a sub-committee of the LaunchVic Board, the “Grants and Funding Committee” (GFC) comprising at least two Board Members. LaunchVic may appoint external experts to the Assessment Panel with deep experience in early-stage investment sector to assess applications.

VIDEO PITCH AND VIRTUAL Q&A

Shortlisted grant applicants will be required to provide a 5-minute Video Pitch and to attend a 15-minute Q&A with the Assessment Panel and the LaunchVic Grants & Funding Committee.

- The Pitch Deck must be no more than 10 slides and is due 4pm 4 July 2022.
- The Pitch Q&A will be held over Zoom on Monday 6 July 2022 (this date is subject to change), a time will be allocated to each shortlisted applicant by LaunchVic. If there is no representation from the shortlisted applicant the application may be rejected.

Due Diligence: shortlisted applicants will undergo due diligence by LaunchVic. This may include (but not be limited to) a Financial Risk Assessment conducted by an approved third party and Company & Director checks. Information will be kept strictly confidential.

- New Angel Networks: Information on the Company and Directors for the newly established organisation including (but not limited to): Full Name, Date of Birth, List of other Director Positions.
- Existing Angel Networks looking to establish a presence in Victoria: Financial reports including (but not limited to) profit and loss statements, balance sheets and cash flows will be required from Existing Angel Networks for a Financial Risk Assessment.

Information provided will be kept strictly confidential.

Applicants may be required to provide additional information as part of the application process. This may include a recommendation to negotiate program outcomes with applicants. LaunchVic may enter negotiations with shortlisted applicants to refine project proposals. Funding outcomes are ultimately determined by the LaunchVic Board and their decision is final.

All applications are made at the applicants' own cost and will not be reimbursed, whether the application is successful or unsuccessful.

CONTRACT

Successful applicants will be required to enter a legal contract (Grant Agreement) with LaunchVic and provide project reporting and evidence of project progress against KPIs to receive payments under agreed milestones. Approximately 15 percent of the total grant is allocated to milestone 1 and contracts typically include approximately five to seven milestones. The number of milestones, and amounts, are determined by LaunchVic. Please review the sample Angel Network Grant Agreement located on the LaunchVic website grant round webpage before applying.

APPLICATION FORM

To register your interest in applying, preview and start an application form please go to the [LaunchVic online application system](#)

QUESTIONS?

If you have a question regarding this program, please email grants@launchvic.org Relevant questions will be posted on the LaunchVic website via the Grant Frequently Asked Questions. An information session will

be held via a Zoom Webinar on 18 May 2022. A recording of the session will be made available after the event via the Grants webpage on the LaunchVic website.

KEY DATES

Indicative timings listed below, please refer to the LaunchVic website for the most up to date timings:

Stage 1

- Round launched: 2 May 2022
- Information Session: 1:00pm – 2:00pm 18 May 2022 via Zoom Webinar
- Round Closes: 10:00am 15 June 2022
- Communications: to applicants moving to Stage 2 24 June 2022

Stage 2

- Video Pitch Due: 1pm 4 July 2022
- Virtual Q&A: via Zoom 6 July 2022
- Due Diligence: requested information due in July 2022 (date TBA)
- Communications: to applicants moving to Stage 3 18 July 2022

Stage 3

- Contracting: we expect to contract successful applicants in early August 2022
- Announcement: an announcement will follow once contracts are executed

GRANT ROUND GUIDELINES CHANGE REGISTER

NUMBER	SECTION	CHANGE DESCRIPTION SUMMARY	DATE CHANGE ISSUED
2	Video Pitch & Virtual Q&A	Updated from <ul style="list-style-type: none"> • 6 July • via Zoom 11 July 2022 Updated to <ul style="list-style-type: none"> • 4pm 4 July • via Zoom 6 July 2022 	14 June 2022