Applicant Packet | Cohort 9

About Elemental Excelerator

We are a growth-stage accelerator. Our goal is to bring commercial opportunities to entrepreneurs who are building world-changing companies. Each year, we select 15-20 companies that best fit our mission, fund each company up to $1 million, and facilitate meaningful connections.

Why should you apply?

We have learned that startups in capital-intensive sectors face three major valleys of death: 1) Technology, 2) Commercialization, and 3) Market Expansion.

Our role is to **accelerate climate-tech startups by bringing forward meaningful commercial inflection points** through real-world demonstration projects and tailored business models. By filling this gap, we support company's success while driving social, environmental, and economic impact at scale.

How is Elemental Excelerator different?

1. Our program is built to support **later-stage startups** than most accelerator programs (Seed to Series C and beyond) to enable greater commercial expansion and growth.
2. We are known for **deploying projects** at the community level. We have supported expansion into new markets and customer segments.
3. **Relocation is not required** and we take applicants from all over the world. We convene our startups three times per year in Hawaii and California, and collaborate remotely throughout the year.
4. Beyond funding, we build **custom ecosystems** around each of our companies, including partner and customer introductions, policy and community engagement support, and coaching needed to succeed.

What technologies are we seeking for this next cohort?

Our main pillars are:
- Energy
- Food and agriculture
- Water
- Mobility
- Circular economy

What we don't fund:
- Project Developers (solar, wind, storage, etc.) selling third party products
- Consulting firms
- Marketing or PR agencies
- Nonprofits
- World-changing ideas without a prototype
- Companies with fewer than two full-time team members
- Acquired companies

Which track is right for you?

	Go-to-Market Track	Demonstration Track	Equity & Access Track
Audience	Companies accepted into this track are looking to: • Develop and test **sales and growth** strategies • Develop **operational scale-up** tactics • Incorporate **market intelligence** into major business decisions	For this track, our resources are best leveraged for established companies looking to develop the **next generation of their technology,** or enter a **new geographic territory or customer segment.**	Successful companies in this track will have **equity & access business practices** at the core of what they do or are looking to **accelerate more equitable offerings.**
Geography	Global	Project deployments in Hawaii or Asia-Pacific, including Australia and New Zealand	Project deployments in California's frontline communities
Average Stats Accepted Companies	Annual Revenue: **$417,000** Outside Funding: **$2,380,000** Team Size: **5**	Annual Revenue: $**850,000** Outside Funding: **$10,300,000** Team Size: **17**	Annual Revenue: **$3,340,000** Outside Funding: **$13,600,000** Team Size: **28**
	* Note: This is simply an average and revenue and outside funding are not required to apply.		
Program Details			
Program Elements	Highly customized coaching around market intelligence, sales and growth, and operational scale-up.	Project deployment with a commercial partner, project design, project implementation, and stakeholder engagement.	
Deal Points	We invest **$200,000** in the form of a grant. As a nonprofit, we ask for a **3-4%** warrant donation to align our success with yours — and to support future entrepreneurs.	We invest **up to $1 million** in the form of a grant, with an average award amount of $500,000. As a nonprofit, we ask for a **1-2%** warrant donation to align our success with yours — and to support future entrepreneurs.	We invest **up to $1 million** in the form of a SAFE note, with an average award amount of $500,000. In exchange, we have the right to purchase shares in a future round at a pre-negotiated discount (industry standard is 80%)
	Payment is milestone-based, as projects are deployed and modules are completed.		
Duration	9 months	Project deployment timeframe: 12-18 months	

More information on our program tracks can be found on our website at www.elementalxcelerator.com/program

What does the application process look like?

	Go-to-Market Track	Demonstration Track + Equity & Access Track
January 28 - March 26	<u>Qualifying Application</u> This is the first step of our application process and should take no more than **15 minutes** to complete. We will ask for company information including technology stage, funding stage, pitch deck, team information, and more.	
March 30 - April 29	**Round 1: Technical & Financial** At this stage in the application process, we want to learn the technical and financial details of your company. All information is treated as highly sensitive and completely confidential. We will ask for: • Technical details including a visual of your product with a technical summary, customer list, and intellectual property. • Financial details including cap table, balance sheets, income statement, cash flows, and financial projections.	
May 8 - June 5	**Round 2: Elemental Engagement** Now that we know your solution is a good fit and financially sound, we want to think through the ways in which our program will be transformational for your company. We will ask for: • Highest priority on your product roadmap • How your solution contributes to the sector goals in our places • How we can best help you succeed	**Round 2: Project Scoping** Now that we know your solution is a good fit and financially sound, we want to learn more about your proposed project. We will ask for: • Project description and ideal outcomes • Project partners and the status of their commitment to your project, such as cost-share • Project scope including milestones, budget, and timeline • For Equity & Access - how your project will incorporate at least one of our <u>Equity In/ Equity Out principles</u>
June 19 - July 7	**Interviews** In the final step of our application process, we find it incredibly valuable to meet with executive teams. This is where we get to really dig in and talk through what the engagement would look like for you and how we would work together to support your growth.	
Late July - September	**Acceptances & Onboarding**	
October 5 - October 9	**Kickoff Week in Honolulu**	

You're accepted! What are the core program elements?

	August 2020	Sept. 2020	October 2020	...	May 2021	...	December 2021	Forever
Go-to-Market	Onboarding & Contracting		Go-to-Market Modules				Alumni	
Demo/ E&A	Onboarding & Contracting		Project Scoping > Execution > Closeout					Alumni

In-Person Program Elements:

All Cohort 9 CEOs and at least one other full-time team member will be required to attend and speak at all three elements for the first year of the program. After completing the program, we ask that you participate in one or two of the elements in the following years to continue building relationships among companies and partners, share your learnings, and seek new opportunities within our ecosystem.

October 5-8, 2020	May 2021	May 2021
Kickoff Week	**CEO Summit**	**Interactive**
We'll spend the week introducing you to the Elemental team, your cohort, our partners, and the local ecosystem through workshops and facilitated discussions. We will work on further defining the Scope of Work for your Demonstration or Equity & Access project, or achieving your Go-to-Market Track objectives.	This element fosters relationships with CEOs across sectors and stages. Our goal is to foster an environment in which 100+ leadership teams can share knowledge, collaborate, and accelerate impact. Alumni companies are encouraged to attend to create cross-cohort relationships and opportunities for collaboration.	Interactive is our annual investor-focused event where we'll introduce you to investors, corporates, and strategic partners. All Cohort 9 company CEOs will be given an opportunity to speak on-stage to an audience of 250+ investors and corporates.

If you are looking for more information, visit our website for everything you need to know about applying.

We look forward to reviewing your application!

elementalexcelerator.com/apply

FAQ | Cohort 9

1) Does Elemental Excelerator only fund projects in Hawaii and California?

No, we **also** fund projects in the Asia Pacific region. We have funded 9+ international projects to date.

	Asia Pacific	In the Asia Pacific region, we fund projects that have the potential to address global environmental challenges and/or significantly reduce greenhouse gas emissions.
	Hawaii	Hawaii is an island state that faces unique challenges and opportunities around transportation, water, agriculture, energy, and waste. We are looking for solutions that are particularly impactful in this island context. Our team has developed deep relationships across public, private, and nonprofit sectors to help startups deploy at the community level.
	Disadvantaged Communities in California	California has been a center of innovation for many years. Now is our chance to deploy new technology - through the lens of social equity - alongside communities who have had less access to technology and clean infrastructure. We prioritize projects in communities identified in yellow, orange, and red by the June 2018 CalEnviroScreen map, included on page 10.

2) If we are accepted, do we need to move to California or Hawaii?

No, our portfolio companies come from across the U.S. and international locations such as Europe and the United Kingdom. We require portfolio companies to travel to California or Hawaii for three program elements and encourage companies to return for key meetings, project milestones, and relationship development. Our program is fundamentally flexible and relocation is not required.

3) How do we know if we're too early or too late for Elemental Excelerator?

Generally speaking, we are looking to select later-stage companies, but our program is designed less for a certain stage of company and more for companies focused on commercialization at various stages. To give you an idea of the maturity of companies in each track, here are the average stats of our last two cohorts:

	Go-to-Market	Demonstration	Equity & Access
Annual Revenue	$417,000	$850,000	$3,340,000
Outside Funding	$2,380,000	$10,300,000	$13,600,000
Team	5	17	28

If you have specific questions related to the stage of your company, please reach out to us at apply@elementalexcelerator.com

4) How does Elemental Excelerator evaluate companies?

We look at five characteristics of companies during due diligence, six for those that apply to our Demonstration and Equity & Access Tracks. Below you'll find those characteristics and what we look for as we evaluate each one:

Technology	• In your application, indicate that you have developed a scalable solution that shows growth potential beyond your home market • Technology validated by a 3rd party - we don't take technology risk • Technology driven by market demands
Team	• We look for experienced teams, deep knowledge of your industry, diversity, and a proven track record of execution • We test for passion, grit, and coachability
Elemental Excelerator Fit	• Partners or projects deployed in one of our focus areas or has a clear case as to why your next target market is a fit with HI/CA/Asia Pac • You are ready for growth and have clearly laid out ways we can help you
Business Model	• We assess traction, value proposition, addressable market size, competitive landscape, revenue streams, and cost structure • Pathway to a repeatable business model, deep knowledge of customer needs, and demonstrated customer traction • A strong understanding of your first, second, and scale-up markets, as well as a strategy to enter those markets
Fit in California, Hawaii, and Asia Pacific	• Do your homework: knowledge of stakeholders, the policy landscape, regional customer requirements, potential barriers and appetite for your solution will differentiate your application
Demonstration and Equity & Access Tracks only: Proposed project	• We are looking to fund projects that can be completed in 12-18 months, with reasonable risk factors on the implementation side. • We are looking for projects that are sustainable and have long-term impact. If implementation is successful, the partner or customer should be able to continue using the technology going forward. Our goal is to select Demonstration Track technologies that can scale by a minimum of 10x after completing the Elemental Excelerator program.

5) How many companies apply and how many do you select?

In 2019, we had 800 companies at the top of our funnel and selected 17 companies for Cohort 8.

6) Can we update our application after it has been submitted?

Yes, please feel free to fill out a new qualifying application with updated information. We will use the most recent application answers when making considerations.

7) Can companies who are accepted into one track apply for another track in later years?

Yes, we've had a number of companies make the leap from Go-to-Market to Demonstration or Equity & Access track, and one company has gone through all three tracks.

8) Are there ways we can engage with Elemental Excelerator outside of the triple-track accelerator program?

Yes, every year we see hundreds of amazing entrepreneurs and world-changing technologies. While we can only fund 15-20 ourselves, we are constantly working on new and creative ways to help you grow your company.

Deal Day
The goal of Deal Day is to accelerate commercial opportunities between our Global Partners and highly-relevant applicants. We coordinate 1:1 meetings and incentivize action with prize money for the first four startups that reach commercial agreements at (or following) Deal Day. Think of it as speed-dating in search of ink on paper. **All** companies that apply to our program between today and March 26 will be considered for this opportunity, not just the ones that we ultimately select for our 9th cohort.

Partner & Investor Introductions
Our partner and investor network is committed to transforming infrastructure systems through the deployment of clean technology and capital. In some cases, we will make introductions between our applicants and partners if there is a strategic fit.

Stay tuned as we roll out other opportunities.

9) Can you provide more information on funding for the Go-to-Market Track?

Go-to-Market Track companies are awarded $200,000 of federal grant funding to participate in the program. We expect active participation from the CEO and one additional executive team member. Payment is deployed on a milestone basis as modules are completed.

10) Can you provide more info on funding for the Demonstration Track?

Here are three things to keep in mind about the way we structure our projects:
- Companies are eligible for up to $1 million in funding, but typically we award projects on a smaller scale (average funding amount is $500,000). We will evaluate additional funding opportunities based on your scope of work and your proven ability to deliver milestones on time and within budget.
- Project funding is used to help buy-down deployment risk. This means we do not pay for the whole project, but rather we will structure deployments under a 50-50 cost share model. As an applicant, you are required to find a customer or partner to fund the other 50% of the project.
- The funding is structured as a fixed-price, no profit, no fee contract. Translation: Your project budget will be structured based on actual costs.

Cost share, or partner/customer contributions to the project is the way our program evaluates market pull for solutions. Our strong preference is for cost share to come in the form of cash from customers. This is the strongest indicator of market demand for a solution. Secondary cost share sources can be 1) partners; 2) investors; 3) university, state, federal, or other funds. We will recognize in-kind cost share in special circumstances including labor from customers, discounted equipment/leases, and other contributions to the project. Demonstration Track applicants will be asked to describe a specific project to be funded by Elemental Excelerator.

11) I need to tell my Board about the warrant donation. Can you provide more information?

As a nonprofit organization, we ask for an equity donation to our program for your participation in either the Go-to-Market (3-4% equity) or Demonstration Tracks (1-2% equity). It is our philosophy that when you succeed, part of that success should go back to supporting the ecosystem for future entrepreneurs. We accept the donation through a standard 10-year warrant for preferred stock. Although we provide you with grant funding, your donation of equity is not connected to the amount of funding we provide to you during the program.

Q: How do you determine the strike price for the warrant?
A: The strike price is determined by the price per share at the last round of financing.

Q: Is donating warrants to the program required?
A: Yes, companies in our Go-to-Market and Demonstration Track issue a warrant donation for participation in to our program. The Equity & Access Track is a SAFE note structure with a standard 80% discount rate.

Q: What do you do with the warrants?
A: It is our general strategy to pursue a cashless exercise of the warrant following an acquisition or IPO, but we may exercise early in special circumstances.

12) Can you provide more info on funding for the Equity & Access Track?

The Equity & Access Track funding is an investment tied to milestones. For this we use a Simple Agreement for Future Equity ("SAFE") correlated to agreed upon deployment milestones. Y Combinator created the SAFE as a simpler alternative to convertible notes. It allows investors to purchase shares in a future round at a pre-negotiated discount (industry standard is 80%). We like this investment vehicle because it is founder-friendly and flexible, allowing us to work with companies outside of their usual fundraising cycle.

13) Which California communities are you targeting in Elemental Excelerator's Equity & Access Track?

We are looking to invest in companies that have technologies and/or business models that increase access to opportunity in what we call "frontline communities" in California. One tool we use to identify the communities in California that are on the frontlines of climate change is the CalEnviroScreen. Areas identified in yellow, orange, and red by the June 2018 CalEnviroScreen map (see below) reflect high levels of pollution across multiple indicators (socioeconomic, environmental, health). We are also interested in investing in companies that could provide jobs, internships, and/or educational opportunities to low-income communities. Our goal is to increase access to clean
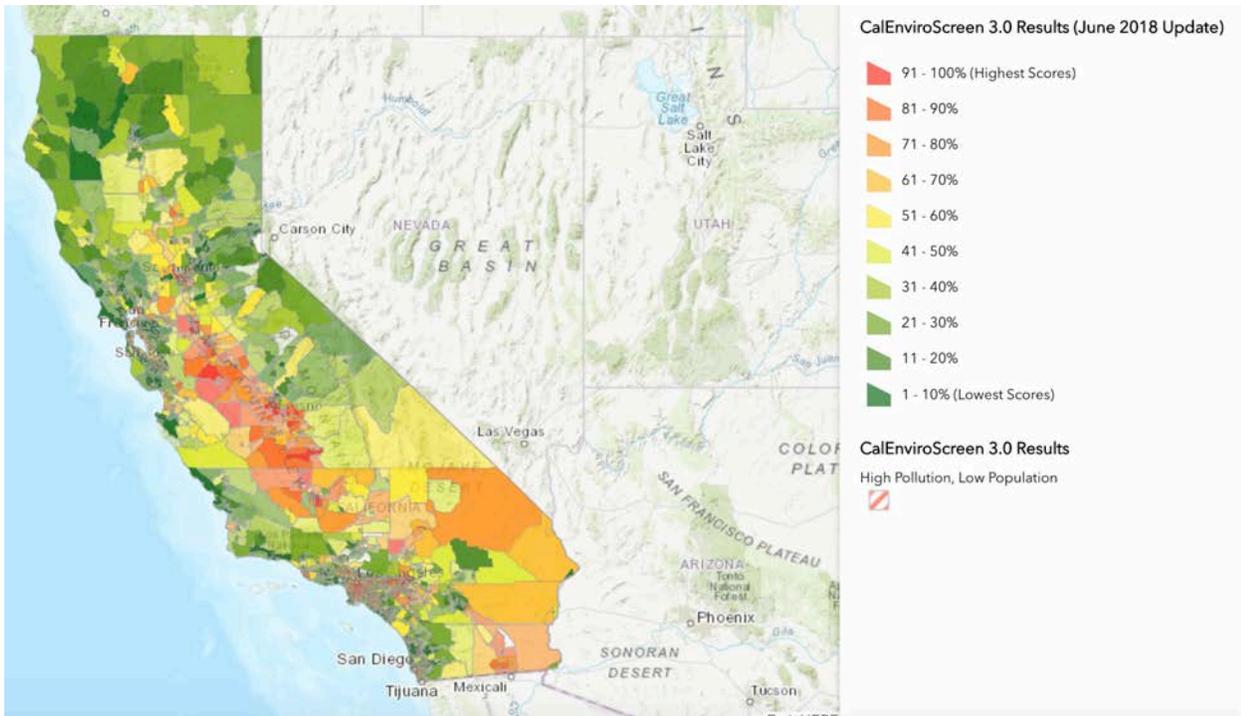
technology and employment opportunities in an affordable, equitable, and scalable fashion.

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Mahalo!