



Elemental Cohort 10 - Applicant Packet

Deadline to Apply:

Early-Bird: March 24, 2021 @ 5:00 pm PT

Application Close: April 16, 2021 @ 5:00 pm PT





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About Elemental

Elemental is on a mission to redesign the systems at the root of climate change. In 2009, we launched a new non-profit model for funding climate-tech deployment. Breaking down barriers to innovation alongside entrepreneurs provides us unique insight into the policy, market, and technology innovation needed to build systems to uplift people and communities around the world.

To date, Elemental has invested in over **100 growth-stage companies** and celebrated more than a dozen exits, funded more than **70 technology projects**, and built a platform for scaling equitable, market-driven solutions to climate change.

Why Elemental?

Elemental is a commercial catalyst for growth-stage companies. Our role is to accelerate climate tech startups by bringing forward meaningful commercial inflection points. We accept 15-20 companies each year and accelerate growth in three ways: project funding, strategy coaching, and commercial introductions.

What makes Elemental different?

We are not your typical accelerator.

- We work at the intersection of **climate change and social equity**. Our Equity & Access framework is something all companies commit to and is embedded in the way we work with companies across our portfolio.
- 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.
- We are known for funding and supporting the **deployment of projects**. Each project has a transformational element, helping startups expand their product, customer base, equity outcomes, and/or geographic reach.
- Our vision is **local and global**. Our goal is to move markets and unstick old ways of working to enable rapid progress toward decarbonization. We utilize individual project learnings, and broader trends to inspire action for climate tech and policy making.
- Relocation is not required and we take applicants from all over the world.



Portfolio Track Offerings

We have been working with entrepreneurs for 10 years. Based on our experience, we have developed these three offerings to help startups reach new commercial inflection points:

| | Strategy Track | Project Track | Global Track |
|--|--|---|--|
| Funding | \$200,000 | \$500,000 | \$300,000 |
| Geography | Global | Hawai'i & California | Global |
| Our Work Together | Strategic coaching for Market Intelligence, Sales & Growth, Operational Scale-up, Messaging, Fundraising, and Equity & Access Strategies. | Project funding and customized support including stakeholder introductions, community engagement, and project management support. | Project funding to support later stage, high-impact companies with commercial expansion in any global market. |
| Minimum Requirements | <ul style="list-style-type: none"> • At least 2 full-time employees • Operating prototype • For-profit independent climate tech venture | | |
| General Stage Guidelines <i>(not required)</i> | <ul style="list-style-type: none"> • Any stage | <ul style="list-style-type: none"> • Series A and beyond • At least 1 paying customer • At least 1 full time project manager | <ul style="list-style-type: none"> • Series B and beyond • At least 5 paying customers • At least 1 full time project manager • At least 2 geographic markets • LOI with a cost-share customer (required) |
| Equity Requirement | Warrant Donation | SAFE or Warrant Donation | Convertible Note or SAFE |
| Payment | Payment is milestone-based, as projects are deployed and modules are completed | | |
| Duration | 9-month program | Projects must be deployed in 16-months | |

*Find more information on each track on pages 16 – 21.

Beyond funding, we build custom ecosystems around each company:

- **Corporate partners** who are actively deploying alongside our portfolio companies
- 1:1 strategy sessions with Elemental's **Investor in Residences**
- A network of more than **700 investors** and access to **Elemental Connect**, an AI enabled platform to connect startups and investors
- Deep **sector expertise**
- Support on **community engagement** best practices
- Opportunity for additional Elemental funding & services through **prizes**
- An **active community of CEOs** and leaders scaling solutions to the world's toughest challenges



What technologies are we seeking?

We fund:

- Climate tech startups
- For-profit, stand-alone ventures
- Startups committed to Diversity, Equity & Inclusion
- Solutions that create good quality, local jobs for people who live in frontline communities
- Engaged CEOs and executive teams who want to be an active part of a global ecosystem of change-makers

We do not fund:

- Project developers (solar, wind, storage, etc.) selling third party products
- Consulting firms
- Marketing or PR agencies
- Nonprofits
- Acquired startups
- Startups without a prototype
- Companies with fewer than two full-time team members





“Ah, the people are amazing. It almost intimidates you to silence how talented and passionate and committed and how brilliant the solutions are.”

- **Donnel Baird**, CEO of BlocPower



Application Process

| | |
|-------------------------|---|
| February - April | Round 1: Qualifying Application This is the first step of our application process, we estimate that it will take approximately 30 minutes to complete. We will ask for: <ul style="list-style-type: none">• Company information including technology stage, funding stage & amount, team information and more.• Materials including standard pitch deck and technical summary with a visual of your technology |
| May - June | Round 2: Documentation and Elemental Proposal At this stage in the application process we want to dig into technical and financial details and learn more about how we can support your company's success. We will ask for: <ul style="list-style-type: none">• Customer list, questions about your certifications and IP, capitalization table, balance sheets, income statement, cashflows, and financial projects.• For the Global Track and Project Track we will ask you to submit details about your proposed project, including project description and ideal outcome, project partners and the status of their commitment to your project (such as LOI), budget, and timeline. |
| June - July | Round 3: Interviews and Reference Checks In the final step of our application process, we find it incredibly valuable to meet with executive teams. This is where we get to talk through what the engagement would look like for you and how we would work together to support our collective missions. |
| July - September | Acceptances & Onboarding |
| October | Kickoff Week |

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Climate Change x Social Equity

We understand that climate change and social inequities are directly related.

We want to work with companies who are committed to this mission, and are open to examining their internal and external work to strengthen and incorporate equity. Through our years of practice we have learned that there is no shortcut or silver bullet to becoming an equitable company. Elemental will provide guidance and resources throughout and support companies and CEOs on their own journeys.

Equity & Access is incorporated throughout the three tracks in the following ways:

| | Strategy Track | Global Track | Project Track** |
|--|----------------|--------------|-----------------|
| Utilize Equity is Dynamic field guide to assess principles of equitable behavior and identify your company's north and near stars for building an equitable company. | x | x | x |
| Entrepreneurs will be invited to join a community of practice: Peer support within the Elemental network. | x | x | x |
| Equity & Access milestones and deliverables will be incorporated into project scopes (Project Track & Global Track) and modules (Strategy Track). | x | x | x |
| We will share expectations and guidance for Community Partnerships prior to deploying technologies in a new place. We ask companies to establish project relationships based on Principles of Equitable Behavior in order to create meaningful relationships with community stakeholders. This includes creating a clear process and understanding the history and context of each place. | | x | x |
| **For California projects, technology deployment and stakeholder engagement will be in frontline communities. | | | x |

We design projects with two principles in mind — Equity In & Equity Out:

| Equity In | Equity Out |
|---|---|
| <p>Build equitable business practices into your company through:</p> <ul style="list-style-type: none">• HIRING: Diversity as a strategic goal and just practice• PROFESSIONAL DEVELOPMENT: Inclusion & retention strategies to promote a thriving workforce• RESPONSIBLE SUPPLY CHAIN: Build better products for more people, with the inclusion of diverse suppliers• REPRESENTATIVE LEADERSHIP: Inclusive & diverse decision makers drive better outcomes | <p>Leverage your company for social equity and justice outside of your company through:</p> <ul style="list-style-type: none">• INNOVATION: Equitable & affordable access to green technology & services• ECONOMIC BENEFITS: Financial & workforce opportunities to local community members• IDENTIFYING UNINTENDED CONSEQUENCES: exploring & addressing them early on• COMMUNITY PARTNERSHIPS: Ensure innovation meets the needs of the communities |



elemental

“With Elemental, what I really like is the focus on equity and access and the really well-developed curriculum that will help guide us and help us focus on what’s important when we’re exploring and working with relevant partners.”

- **Miranda Wang**, CEO of Novoloop



Core Program Elements

All Cohort CEOs and at least one other full-time team member will be required to participate in 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.



Kickoff Week | October 2021

We'll spend the week introducing you to the Elemental team, your cohort, and our partners through workshops and facilitated discussions. During this period, we will work on further defining the Scope of Work for your project or achieving your Strategy Track objectives.

CxO Summit | February 2022

This element fosters relationships with CxOs across sectors, stages, and Elemental cohorts. Our goal is to foster an environment in which 100+ leadership teams can share knowledge, collaborate, and accelerate individual growth and collective impact. Alumni companies are encouraged to attend digital and in-person events to create cross-cohort relationships and opportunities for collaboration.

Interactive | May 2022

Interactive is our annual investor-focused event where we'll introduce you to investors, corporates, and strategic partners. All Cohort company CEOs will be given an opportunity to speak to an audience of 250+ investors and corporates.

“Two days ago, we were sitting in a small group with some of the members of the cohort and we were talking about some business challenges. And immediately, one of the Elemental staff said, ‘Let’s have a meeting right now to try to figure out your problem.’ And one of the other CEOs said, ‘What can I do to help?’ And it was just this moment of crystallization of why this program is so special.”

- **Steph Speirs**, cofounder and CEO Solstice



Additional Opportunities with Elemental

Every year we see hundreds of amazing entrepreneurs and world-changing technologies. While we can only select 15-20 portfolio companies, we are constantly working on new and creative ways to support the entire startup ecosystem.

This year, there are new ways for startups to plug into Elemental, even if you aren't selected for our portfolio:

Elemental Connect

Elemental Connect is an AI-enhanced matchmaking platform for climate tech startups to connect with Elemental's broad investment community of angels, VCs, and corporate VCs. This platform is a way to support even more companies and bring value to our network of both startups and investors even if we aren't able to invest directly. Qualifying startups will be invited to the platform and have the opportunity to connect directly with interested investors.

Deal Day

Deal Day is a gathering of Elemental's Corporate Partners and about 25 applicant companies. The Elemental team facilitates conversations to help accelerate commercial opportunities between our Corporate Partners and relevant applicants. Our Corporate Partners invite applicants to collaborate on a project proposal and Elemental incentivizes action with \$50,000 prize money (non-dilutive) to the most compelling project proposal to come from the Deal Day meetings.

Beta-Test our Equity & Access Field Guide

This year we'll be launching Equity is Dynamic, an Equity & Access field guide to help startups incorporate equitable business practices and principles of equitable behavior into their work. All applicants will have the opportunity to beta-test this new tool.

Introductions to Corporate Partners

Throughout the year we facilitate introductions between startups and close partners who are committed to supporting the growth of the climate tech industry through direct investment or commercial opportunities. We happily and actively facilitate introductions when there is mutual interest by both parties.

Global Track Details

About

It is with great excitement that we launch the newest offering from Elemental Excelerator — the Global Track. Through the Global Track, we support mature, high-impact startups that are seeking global and commercial expansion.

Projects can be deployed anywhere in the world.

Elemental will play a lighter role in project and stakeholder support than we do for our Project Track and projects must be deployed in 16-months.

Funding

We invest \$300,000 into Global Track companies.

For this investment, we use a Simple Agreement for Future Equity (“SAFE”) or Convertible Note, and funding is tied to two agreed upon deployment milestones.

Project Proposal & Partner Cost Share

Global Track applicants will be asked to describe a specific project to be funded by Elemental. 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 asked to find a customer or partner to fund the other 50% of the project.

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.

During Round 2 of the application process, we will ask you to submit a non-binding Letter of Interest (LOI) to demonstrate interest by a cost-share partner. At that point, we can not guarantee acceptance into the program, and we understand relationships with potential partners can be highly sensitive. We will provide you with a template LOI and sample language to set appropriate expectations with your partners.

What does the average Global Track company look like?

This track is designed to support mature, high-impact companies. We envision that companies with the following criteria will be the best fit for this track, but it is not a requirement:

- Raised a Series B and beyond
- At least 5 paying customers
- Deployed in at least 2 geographic markets

Because we play a lighter role in the deployment, we expect that senior executive to drive toward signature of a commercial contract with the customer. We also expect a dedicated project manager to be implementing the project and be dedicated to customer success, and the whole team invested in Equity & Access work.





“Elemental Excelerator has been an important part of SOURCE’s journey from an early-stage technology company to one that provides renewable drinking water solutions to households, communities, and governments in more than 40 countries around the world. Our partnership with Elemental extends beyond the project objectives and involves broad collaboration across our respective teams and the Elemental partner community. In Queensland, Australia, we’ve installed a large, thousand-panel array of SOURCE panels that will produce bulk quantities of water that is still the same quality as luxury bottled water.”

– **Cody Friesen**, CEO of SOURCE Global



Project Track Details

About

Through the Project Track, we help buy down the risk of trying something new that will be transformational for your company. We want to fund a new piece of technology, a new angle on your business model, and/or technology deployment.

Projects are deployed in Hawai'i or California's frontline communities.

Our Directors of Innovation work closely with companies to supercharge your network and accelerate impact through stakeholder introductions, community engagement, project management support and Equity & Access work. Projects must be deployed in 16-months

Funding

We invest \$500,000 into Project Track companies.

For this investment, we use a Simple Agreement for Future Equity ("SAFE") or warrant donation, and funding is tied to agreed upon deployment milestones.

Project Proposal & Partner Cost Share

Project Track applicants will be asked to describe a specific project to be funded by Elemental. 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 asked to find a customer or partner to fund the other 50% of the project.

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What does the average Project Track company look like?

In past years, companies have met the following average criteria:

- 22 full time employees (range 6-40)
- \$11M in funding (range \$1.9M - \$35M)
- \$916K annual revenue (range \$0 - \$4M)



“Elemental has taken our business to the next level. With their support, we have been doing test flights in California. We had been doing development on our own, but it’s another thing to be able to actually demonstrate this in the field. The Project Track is what is taking companies like us from the lab to actual commercial operation in the field. Elemental has been essential to prove our business is viable.”

- **Cory Combs**, co-founder and CTO of Ampaire



Strategy Track Details

About

Through the Strategy Track, we invest in startups that are interested in custom support to address core strategy in the areas of market intelligence, sales & growth, operational scale-up, messaging, fundraising, and Equity & Access strategy.

Elemental connects companies' CEOs and executives with coaches and curriculum to help them develop strategies for faster scale. This is a 9-month program and we expect active participation from the CEO and one additional executive team member. This funding is designed to support companies in the development and execution of those strategies.

Funding

We invest \$200,000 into Strategy Track companies.

For this investment, we request that companies make warrant donations in exchange for services. Funding is milestone-based and will be deployed as the coaching modules are completed.

What does the average Strategy Track company look like?

In past years, companies have met the following average criteria:

- 5 full time employees (range 2-9)
- \$722K in funding (range \$10k-\$2.7M)
- \$103K annual (range \$0-\$440k)





“We initially joined with the Strategy Track before we had any product market fit, before we had any substantial customers, and they worked with us to develop the product, to introduce us to the right stakeholders, to help us define what we needed to build and for whom, and the value that it could really provide. From there, it’s been really fun for me as a founder watching the company flourish.”

- **Jonny Simkin**, co-founder and CEO of Swiftly



Frequently Asked Questions

How do we define frontline communities?

We look to support projects where there are partnerships that achieve mutual benefit with technologies, business models, and partnership models that create new access to opportunity in communities on the frontlines of climate change.

We define “frontline communities” as those supporting groups that experience continuing injustice—including people of color, immigrants, people with lower incomes, those in rural areas, and indigenous people— that face a legacy of systemic, largely racialized, inequity that influences their living and working places, the quality of their air and water, and their economic opportunities (Climate Justice Working Group).

Hawaii

Elemental’s work to seek solutions to climate change has been motivated by our experiences in Hawai’i where proximity to resources and significant exposure to climate risks impact the island communities. These impacts are particularly acute for Native Hawaiian and Pacific Islander populations, whose communities are often not seen as priority areas for infrastructure investments.

In Resolution 20-206, the City and County of Honolulu has defined frontline communities and committed to equity and justice to the realization of equitable outcomes. The Resilient Oahu program has identified the Social Vulnerability index and ALICE Report findings as helpful tools to identify frontline communities and advance equity.

California

One tool we use to identify the communities in California that are on the frontlines of climate change is the CalEnviroScreen 3.0 (CES). CES is a mapping tool, while not perfect, identifies ‘disadvantaged communities’ with both pollution burden and vulnerability to the effects of pollution. Areas identified in yellow, orange, and red by the June 2018 CalEnviroScreen map reflect high levels of pollution across multiple indicators (socioeconomic, environmental & health).



I'm interested in the Equity & Access Track. Is that now the Project Track?

Yes. Our equity & access work hasn't gone anywhere. In fact, it's gone everywhere. It has become increasingly clear that climate change and social inequities are directly related, as frontline communities are already experiencing the "first and worst" effects of climate change, and "often lack basic infrastructure to support them and ... will be increasingly vulnerable as our climate deteriorates" (Ecotrust).

We know that not only are the best solutions to climate change the ones that increase access to innovation in frontline communities, they are also the ones that are designed with equity in mind by teams that are representative of the communities they serve. Based on overwhelmingly positive feedback, and an urgent need for this work to be shared more broadly, we are taking the Equity & Access framework we developed over the past three years and **making it a core component of how we work with startups across our entire portfolio.**

Can you provide more information on the funding instruments you use?

Warrant donations:

As a nonprofit organization, we ask for an equity donation to our program for your participation in either the Strategy or Project Tracks. 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 we 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: What do we 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

Simple Agreement for Future Equity ("SAFE"):

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.

Convertible Note:

For the Global Track, accepted companies will have the option of choosing a SAFE or Convertible Note. This flexibility allows later stage companies to choose the instrument which is right for you. If you're interested in learning more about the commercial terms of our Convertible Note, we can share that information further into the application process.





“To date, we’ve deployed in 15 cities and three countries in North America and Europe, and we’re really excited to work with Elemental on our next market expansion.”

- **Tara Pham**, CEO of Numina



How do we know if we're a good fit for Elemental?

- Your technology fits within the climate tech umbrella, and you meet the minimum criteria for the track you are applying for.
- You're committed to solving climate change while increasing equity and access within your company, and through your work.
- You want to join a network of entrepreneurs to support you as you scale your business. You are willing to give and receive feedback and enjoy being part of an active community.

If we are accepted, do we need to relocate?

- No, relocation is not required.
- We do host cohort and portfolio events like CxO Summit and Kickoff Week that are typically scheduled for Hawai'i or Pacific time zones.
- Our portfolio is increasingly international.

How many companies apply and how many do you select?

We select 15-20 companies each year. In 2020, we had 800 companies at the top of our funnel.

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

Yes, we've had a number of companies go through more than one track. Our Portfolio companies go through the same competitive process that all applicants go through when applying for subsequent tracks.





“Elemental takes promising companies and gives them the backing and support they need.”

- **Devin Hampton**, CEO, UtilityAPI





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**We look forward
to receiving your
application and
working with you to
bend the curve on
climate change.**

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