

2018 Cohort Applicant Package



We're looking for innovators

Every year, we are inspired by the creativity of our applicants. The new products and business models that we fund in agriculture, water, transportation, energy, and cybersecurity are driving transformation across the industry.

We spend a lot of time gathering intelligence from our **Global Partners.** They are an impressive group of international leaders including: GE Ventures, Tokyo Electric Power Company, Vector, DENSO, First Philippine Holdings, Blackstone, Enel Green Power, Hawaiian Electric Industries, the U.S. Department of Energy, and the U.S. Department of Defense's Office of Naval Research. These partners are searching the world to make direct equity investments, run pilot projects, and fund large scale deployments with entrepreneurs just like you.

They have also identified key technology gaps that still remain. In this **Applicant Package** we are reaching out to you - bright entrepreneurs and leaders - to address some of the challenges listed below:

- Non-car or rideshare mobility options
- Electric vehicle charging solutions and new approaches for charging
- Vehicle to grid
- Peak traffic
- Increasing access to transportation for disadvantaged communities
- Data solutions for mobility and transportation
- Technologies to support self-driving vehicles
- Cybersecurity for automobiles
- Cybersecurity for the internet of things
- Cybersecurity solutions for infrastructure
- Data analytics and visualization for water or energy
- Water management and conservation on the community scale
- Water measurement and automation
- · Machine learning applied to energy, water, transportation, or agriculture
- Advanced manufacturing and automation related to new technology and/or infrastructure
- Robotics applied to any of the challenges we care about
- Solutions targeting underserved communities

- Virtual power plants
- Grid stabilization and grid services
- Design for efficiency and buildings
- Cost reduction for construction and infrastructure
- Greening aviation and heavy freight
- Agriculture-energy nexus
- Water-energy nexus
- Precision agriculture
- Scalable agricultural technology
- Tools supporting community solar
- Creative ways to increase crop yields
- Blockchain and other financial innovations
- Materials, upcycling, and remanufacturing
- Geothermal-related technologies
- Innovations in resource identification, drilling, and energy production that could be applied to geothermal energy

This is not an inclusive list - we want to know what you're working on and what you've solved for. We are interested in anything that addresses a major gap in the system or market need.

Who is Elemental Excelerator?

Elemental Excelerator funds the most innovative companies with solutions to our systems challenges, starting in Hawaii and the Asia Pacific. We select up to 15 companies each year across energy, water, agriculture, transportation, cybersecurity, and beyond to participate in our dual-track program and receive up to \$1M in funding. The program opens up a world-class network of investors, customers, and experienced CEOs to help our portfolio companies change the world.

Our focus is three-fold:

- 1) Driving the commercialization of innovative technologies by helping companies build customer relationships and execute a go-to-market strategy.
- 2) Co-funding, co-designing, and co-developing customer demonstration projects.
- 3) Transforming an economy from one that was once 90% reliant on imported oil to one powered by 100% renewable energy. We assess gaps in our current infrastructure and seek to fill them with innovative solutions.

Today's Boxscore

Portfolio companies

Entrepreneurs supported



53



500+

Funding awarded

Demonstration projects



\$15M



28

Follow-on funding

Exits

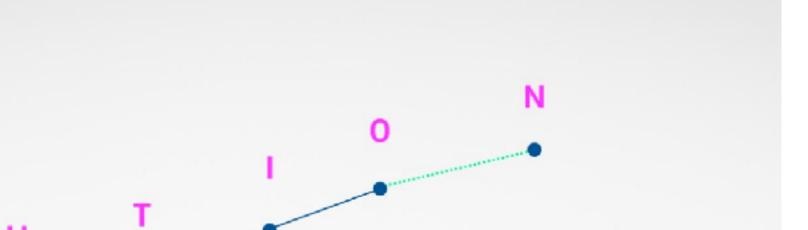


\$350M+



4





If you're interested in diving deeper into how we measure our impact, each September we publish our annual Impact Report.

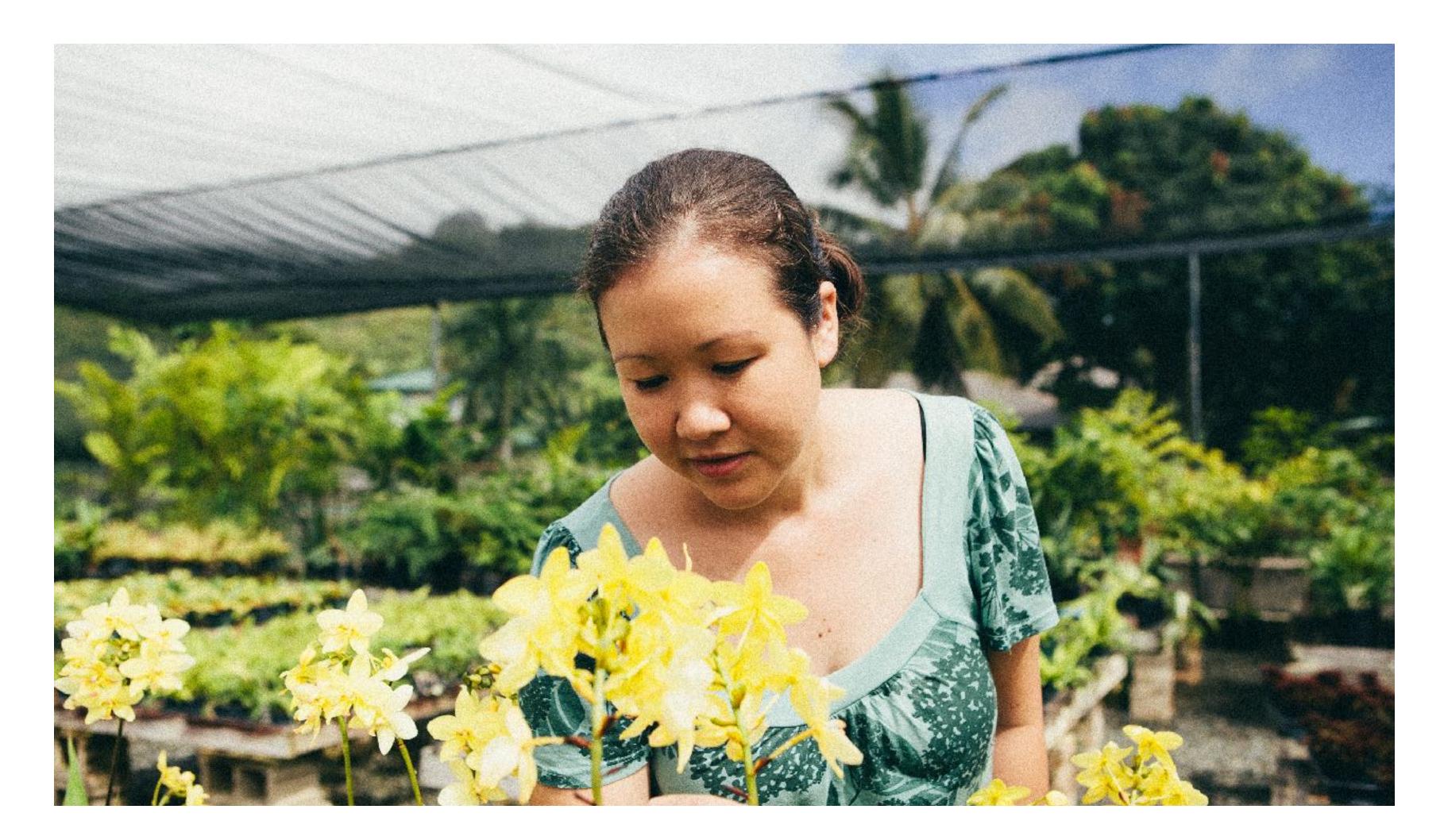


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Basic Requirements

There are 4 basic requirements each company must meet to be eligible for our program.



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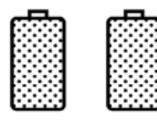
1. Working prototype

Companies must have an operating prototype. Why? Our funding and program will have the most impact to help you scale if you already have a prototype.



2. A team of at least 2

We have found companies to be more successful if they have more than 1 person executing a go-to-market strategy and/or demonstration project. Consultants do not qualify as team members.



3. Full participation of the CEO + 1

We have seen that companies with 2 or more team members consistently attending program weeks in Hawaii and California make greater progress than those that do not.



4. U.S. entity

International applicants are welcome, but they must establish a U.S. entity in order to receive funding.







Dates for Your Calendar

Dates, dates, dates. Check out the key program events for companies selected into our 2018 cohort on page 17.



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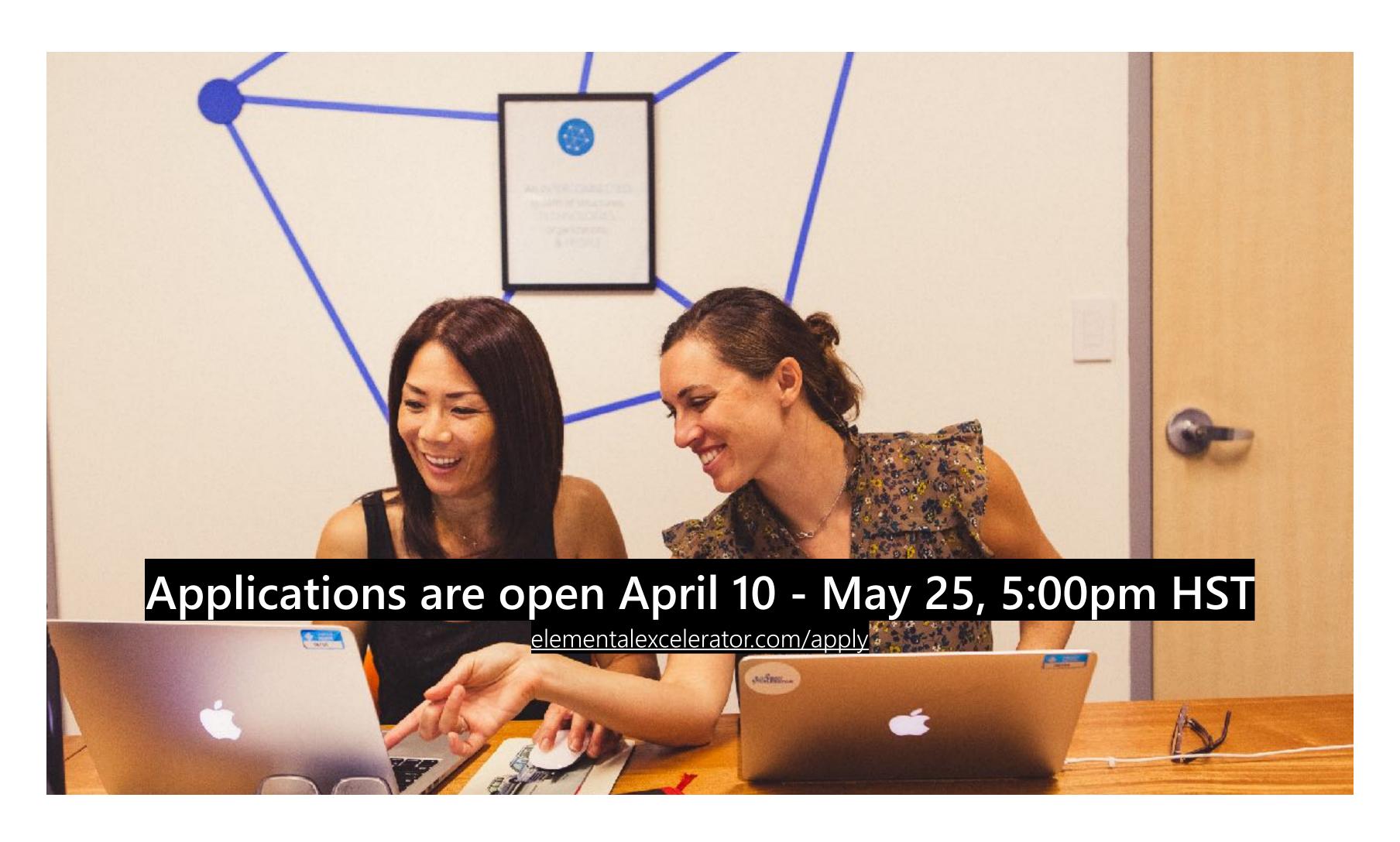


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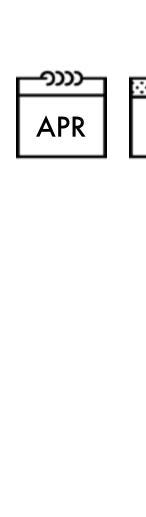


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10

April 10

Applications open

elementalexcelerator.com/apply/

April 11

Honolulu Pre-Application Workshop

https://hnlworkshop.splashthat.com

April 13

12:00 pm HST

Online Q&A

Online Q&A sessions with EEx Head of Pipeline & Recruiting, Ramsay Siegal

https://eexonlineQandA1.splashthat.com/

San Francisco Pre-Application Workshop

http://sanfranworkshop.splashthat.com

April 17

April 27

10:00 am HST

Online Q&A

https://eexonlineQandA2.splashthat.com/

May 18

2:00 pm HST

Online Q&A

https://eexonlineQandA3.splashthat.com





May 25

5:00 pm HST

Applications close

*We will not accept applications submitted after this date and time

September 2017

Applicants notified of acceptance



How We Evaluate Companies

5 key questions (6 for our Demonstration Track) drive our selection process



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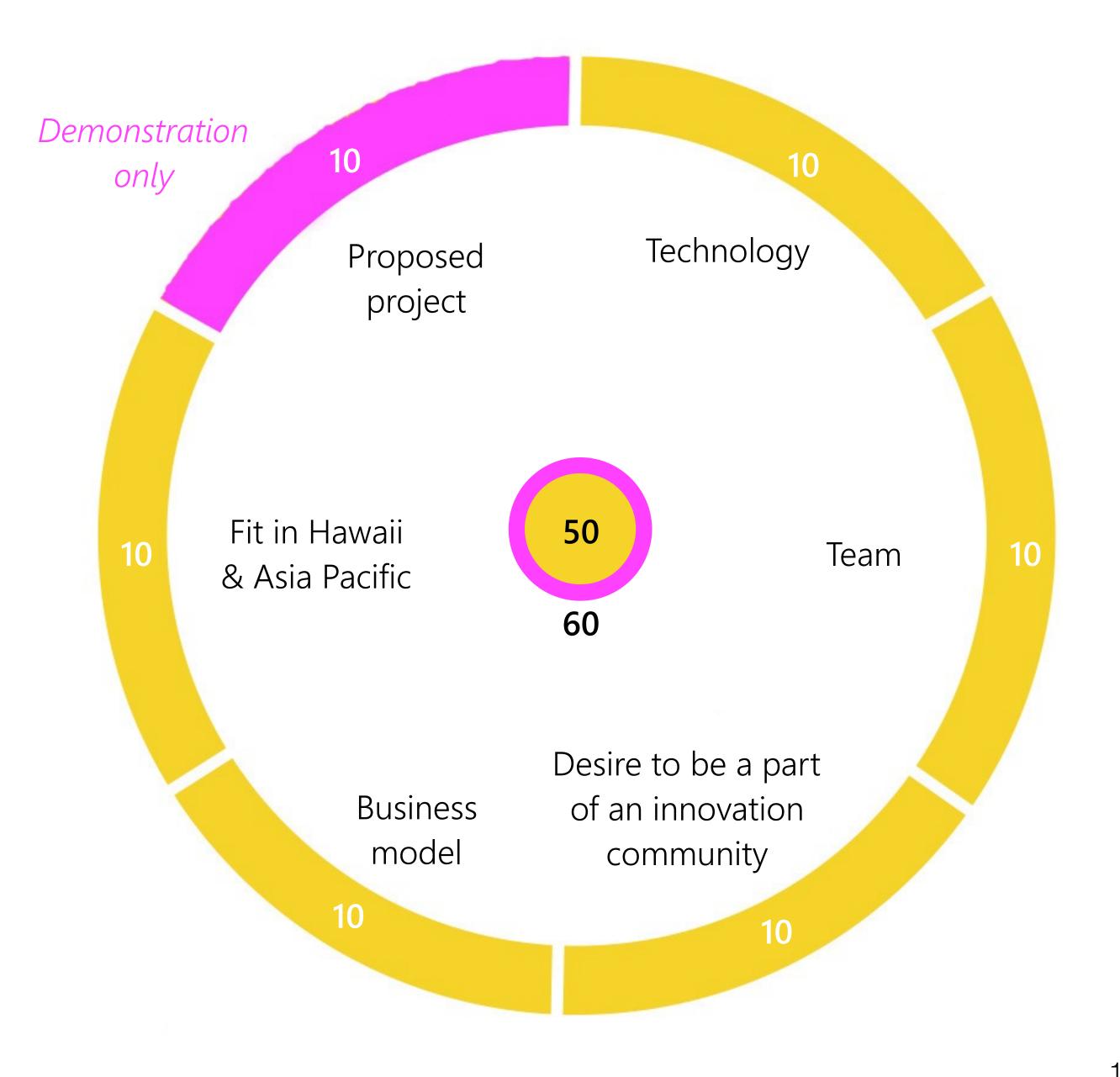


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We look at 5-6 key components for companies we accept into our program. We score each round of applications for a total of 50 possible points for companies applying to our Go-to-market Track and 60 possible points for companies applying to our Demonstration Track. In each subsequent round, we dive deeper into each component. For companies applying to our Demonstration Track, we also evaluate the proposed project.

A detailed description of each component is included in the following pages.



1. Technology: How transformational is it?

We look for innovative technologies that have the ability to create transformational change and/or new markets. Technologies that have been validated by external funders or others are preferred. Technology development should be driven by market demands.

2. Team: How experienced and dedicated is your team?

Teams should highlight their track record and ability to execute. The number, quality, and position (CEO/founder engagement is preferred) of the proposed participants is an important factor. We look for teams with diverse backgrounds and expertise, deep knowledge of their industry, and proven track record of execution and collaboration. Commitment to participating in and building a community of entrepreneurs is shown through executive-level participation, equity donated in the form of warrants, and other contributions (such as mentorship).

3. Desire to be a part of an innovation community: How will you leverage and contribute to our ecosystem?

We have a community of innovators that leverages each other's expertise and networks. We look for companies that are willing to open their networks and share expertise with fellow cohort members. We want to support companies that have a strong desire to be a part of our innovation community. These teams demonstrate a shared mission and commitment to helping us build a vibrant ecosystem.

4. Business model: How scalable is your business model?

We look for strong commercial potential in companies applying to our Go-to-market Track. We consider traction, value proposition, addressable market size, competitive landscape, revenue streams, and cost structure. In Demonstration Track applicants, we look for a repeatable business model, deep knowledge of customer needs, and demonstrated customer traction. Typically, Demonstration Track companies have demonstrated their solution with at least 2 customers. They also have a strong understanding of their first, second, and scale-up markets, as well as a strategy to enter those markets.

5. Fit in Hawaii & Asia Pacific: How do you fit into the categories on Page 2?

We seek technologies and business models that help to solve challenges in Hawaii and the Asia Pacific. See page 2 for a list of the solutions we seek with our 2018 cohort. Companies should demonstrate an understanding of the market they are entering, which could include how the company: 1) solves one or more challenges in Hawaii and the Asia Pacific, and 2) may be able to plug into other solutions in Elemental Excelerator's portfolio.

6. Demonstration Track only: What is your proposed project?

Companies should have, at minimum, an idea of the project you want to implement when you apply. The more homework you've done – such as lining up project partners, knowing how you fit into the Hawaii energy system, and collecting letters of interest or letters of commitment from customers and cost share partners – the more competitive your application will be. It is up to the applicant to demonstrate the results of these investigations.

- The project must be implemented in the State of Hawaii and/or the Asia Pacific region (e.g., New Zealand, Philippines, Australia, Vietnam, Thailand, Pacific Islands).
- The project must exhibit additionality. We do not fund projects that are already covered under existing contracts or activities.
- The project should be able to be completed in 12-18 months, with reasonable risk factors on the implementation side.
- The project should be sustainable and have long-term impact. If implementation is successful, the partner or customer should be able to continue using the technology going forward. We look for technologies that can scale by a minimum of 10x after completing the Elemental Excelerator program.





Which Track is Right For Your Company?

While every company is unique, we find that they fall into 2 major categories: one has technology in search of a repeatable business model, while another has customers and is in search of scale.



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GO-TO-MARKET

DEMONSTRATION

WHO should apply?

Companies with an innovative technology (working prototype) and an excellent team (2 or more people) that need to validate and vet their business model with customers in Hawaii and Asia Pacific markets

Companies with an innovative technology, excellent team, customer traction, and the resources to scale in Hawaii or Asia Pacific

HOW do we support you?

We help you find customers. We provide:

- Up to \$75K grant funding
- Introductions to investors, corporates, and customers
- Mentorship

We help you scale. We provide:

- Up to \$1M grant funding
- Introductions to investors, corporates, and customers
- Project design and local stakeholder engagement

WHAT

companies give back:

- 1. Contribute 1-6% equity
- 2. Share their networks
- 3. Help us recruit great companies

1. Contribute 1-6% equity

- 2. Share their networks
- 3. Help us recruit great companies

7 companies

22 companies

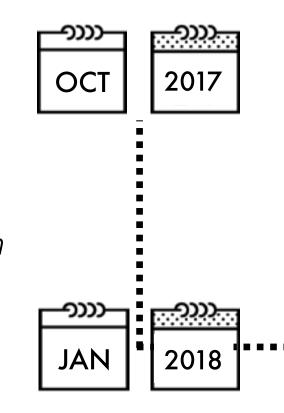
have made the leap from Go-tomarket to Demonstration 28 companies

DEMONSTRATION

2018 cohort selected

October 15 - 20

Go-to-Market Kickoff Week A week of workshops and meetings in Honolulu with partners and stakeholders



2018 finalists selected

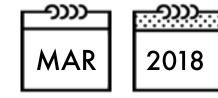
October 16 - 20

Demonstration Kickoff Week A week of workshops and meetings in Honolulu with partners and stakeholders

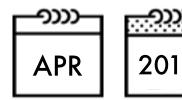
October 2017 - January 2018

Final development of demonstration project scopes, budgets, and partnerships

2018 cohort announced



Funding awarded (estimated timeline)



2018

Interactive Week

ELEMENTAL **EXCELERATOR**

Companies who are accepted pay a program fee of \$3,000 for the Go-to-market Track and \$5,000 for the Demonstration Track. The fee partially offsets meals, transportation, and other activities during the program.







Demonstration Kickoff Week

The newest cohort of Demonstration Track companies meet Hawaii and Asia Pacific energy and community leaders, including utility executives, community members, landowners, business owners, policy makers, military partners, and others. We compress 1-2 years of project development work and relationship building into 1 week.

"A key benefit of the Excelerator program is face time. In one intensive week, Geli, a San Francisco energy storage software company, got meetings with the CEO of HEI, the chair of the public utilities commission, several local solar rooftop installers and the heads of energy procurement for several military offices."

- Andrew Krulewitz, Marketing Director at Geli

Go-to-market Kickoff Week

The newest cohort of Go-to-market Track companies have a week of customer development and company discovery in Honolulu. They get to know their cohort and partners across Hawaii and the Asia Pacific.

"Energy Excelerator has been, and continues to be, a keystone in Go Electric's growth. Go Electric developed its business strategy through Energy Excelerator's Go-to-market cohort, and subsequently closed a \$4 million Series A that was secured through Energy Excelerator introductions. Their introductions to Hawaiian Electric lead us to be invited to bid on Hawaiian Electric's demand response RFP, and we are currently shortlisted for a major multi-million dollar award."

- Lisa Laughner, CEO of Go Electric

EEx Interactive

We bring together our Silicon Valley ecosystem, which includes investors, strategic partners, and corporates, with our portfolio companies in a mix of workshops, meetings, and interactive events.

"Energy Excelerator Interactive brought together an important group of Silicon Valley's sustainability leaders, from both the investment and startup worlds. As the energy industry becomes increasingly focused on software, data and analytics, opportunities continue to expand in new directions. Energy Excelerator artfully distilled key themes and showcased companies that have truly differentiating approaches."

- John Carrington, CEO of Stem

A Deeper Dive



BLOG

Customer Discovery in Action

How we help companies on our Go-to-market Track vet their go-to-market strategies



BLOG

Deployment: The Secret Sauce For Energy Startups

How we helped Stem solve their <u>chicken and egg</u> <u>problem</u> on our Demonstration Track



How Elemental Excelerator's Funding Works

Funding for our companies comes from the U.S. Department of Defense's Office of Naval Research (ONR). A majority of our funding goes directly to EEx portfolio companies in the form of grants.



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Each company selected for the Go-to-market track will be awarded **up to \$75K of grant funding**. The funding will go toward building a customized ecosystem around each company that helps them accelerate their go-to-market strategy and build customer relationships.

Each company selected as a finalist will spend a week in Hawaii in October 2017 to workshop their project with partners. Finalists will be reevaluated after the Fall for awards of **up to \$1M of funding for a demonstration project**. This funding must be 50-50 cost shared with other sources of funding for a demonstration project.

The not-so-fine print:

Funding will be in the form of fixed-price contracts based on milestones and deliverables. Pre-determined payment amounts are disbursed after successful completion of deliverables and/or milestones as defined in the contract.

Funding will be in the form of cost-reimbursable, no profit, no fee contracts and recipients will be reimbursed for actual costs (such as labor, fringe, equipment, supplies, subcontractor, vendor, travel, approved indirect costs, and other costs). Demonstration Track companies invoice monthly by providing receipts and proof of payment for actual costs and expenses. For example, a company that provides their own software to project partners will not be able to receive reimbursement for a list price or discounted list price of the software because that price is not based on actual costs incurred; there is no way to determine that the reimbursement is based on actual costs (no profit). If software is developed as part of the scope of the project, within the project period of performance, then the company can invoice for costs incurred for the work (for example, labor or subcontracts).

Details on Demonstration Track cost share:

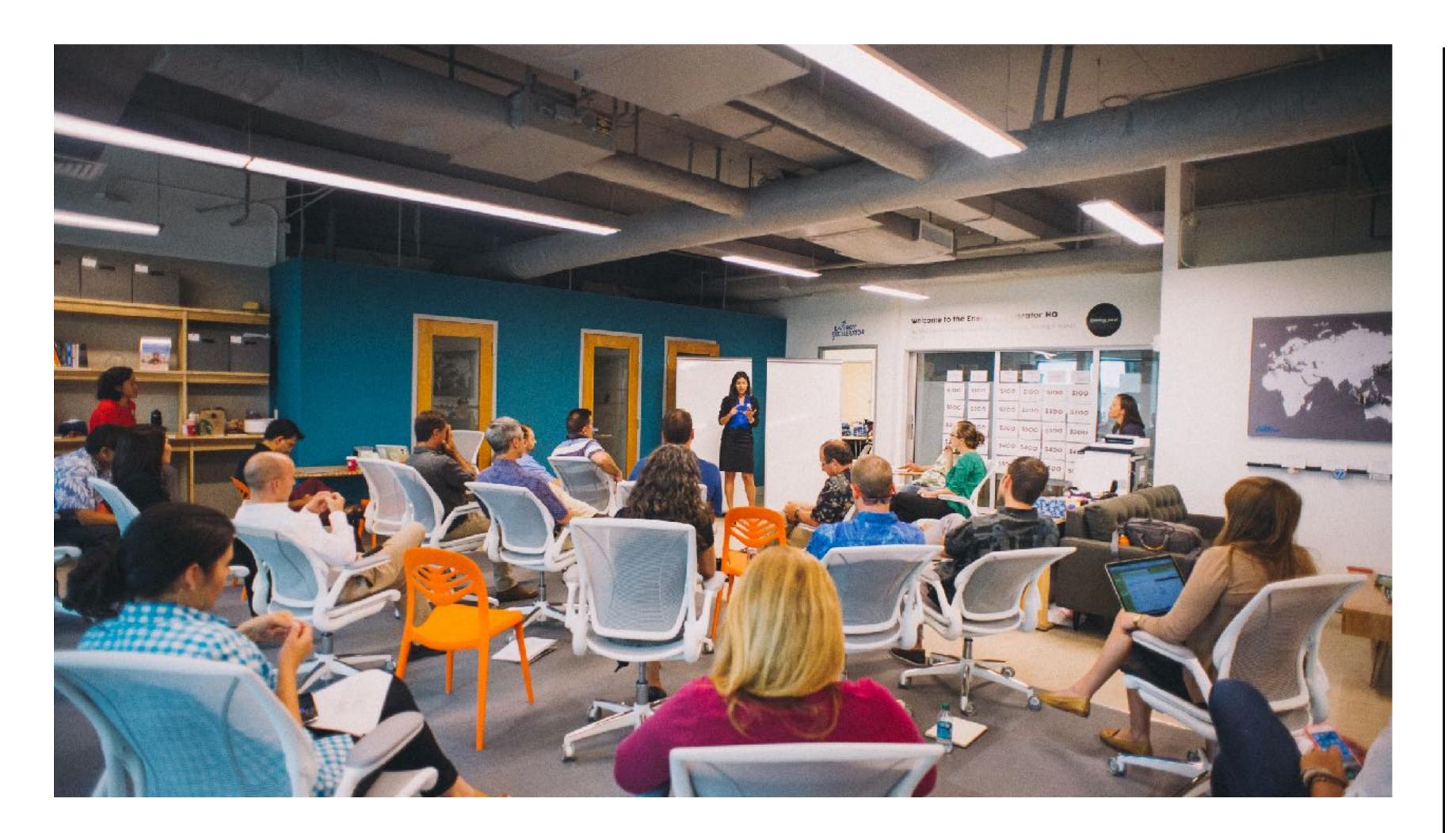
Companies selected to our Demonstration Track receive up to \$1M of Elemental Excelerator grant funding for demonstration projects. This grant funding must be 50-50 cost shared with other sources. Here's how the cost share works:

We have a strong preference for cost share to come from customers, which demonstrates a market demand for the solution, followed by partners or investors, followed by university, state, federal, or other funds. Cost share can be cash or in-kind. In-kind cost share could include labor from partners, discounted equipment or leases, or other non-cash contributions to the project.

Example 1: Company A has a total project cost of \$1M. Company A can apply for a maximum of \$500,000 of Elemental Excelerator funding. The Elemental Excelerator will not provide more than \$500,000 to Company A for their project because it will exceed 50 percent of the project cost. The other \$500,000 to fund the demonstration project should come from a customer, investor, and/or other source.

Example 2: Company B has a total project cost of \$4M. Company B can apply for up to \$1M of Elemental Excelerator funding. Their maximum potential funding award cannot exceed \$1M and will not cover 50 percent of the project cost. Company B will need a customer, investor, and/or other source to provide the remaining \$3M to fund the demonstration project.

Example 3: Company C has a total project cost of \$2M. Company C already secured \$1.5M from a customer/investor/other source. If this is the case, Company C can apply for \$500,000 of Elemental Excelerator demonstration project funding. Higher levels of cost share demonstrate strong customer pull and are viewed favorably in the application process.



We Are More Than Funding

Beyond funding, we build a custom ecosystem around each of our companies. We open up a world-class network of investors and customers, and welcome you into a portfolio of experienced CEOs and management teams.



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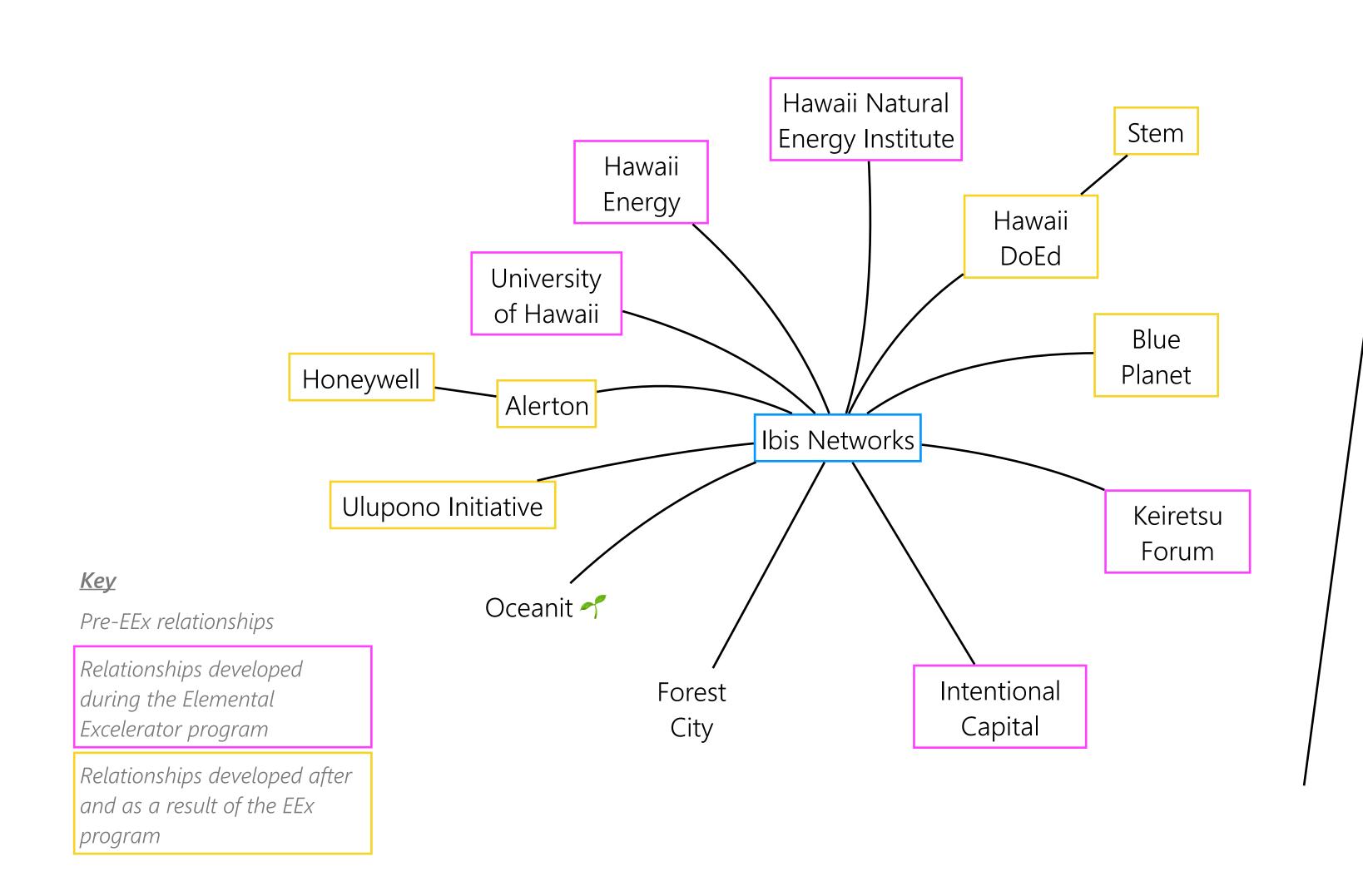
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Here's an example of how we surrounded Ibis Networks with an ecosystem that helped them grow.





Ibis is an energy services & data analytics company focused on plug-load energy management and savings for enterprise organizations.

A Deeper Dive



BLOG

3 Lessons Learned From Helping Ibis Fly
How and why Ibis Networks took the leap from Go-tomarket to Demonstration



How the Equity Donations Work

We ask all of our companies to donate 1-6% equity to Elemental Excelerator for the services our team contributes to the success of your company. Being aligned is critical to our collective success.



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Because of our unique federally-funded non-profit structure, equity donations are not connected to the funding we provide to you during the program. We receive the donation in the form of a warrant struck at the last round of financing – so it's essentially worth nothing at the beginning of our relationship. We want to share in your success. It's our philosophy that when you do succeed, part of that success should go back to supporting the ecosystem for future entrepreneurs. Our goal is to help you scale.

Q: How is a company's equity percentage determined?

A: We use a scoring system to determine equity upon acceptance into the Elemental Excelerator program. We take into consideration many factors including current or most recent valuation, profile of funding raised so far, size of team, and number of paying customers.

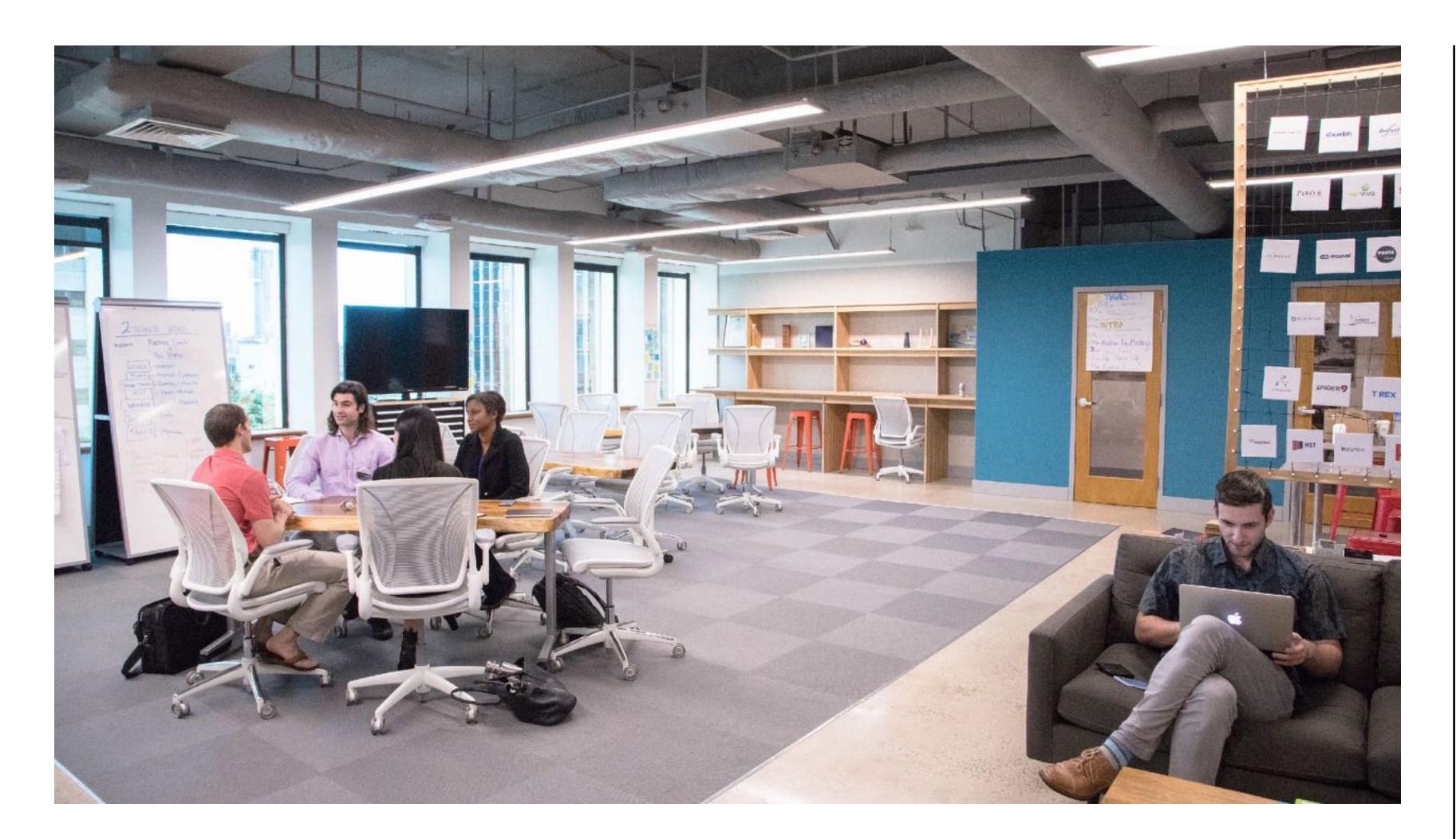
Q: Is donating equity to the program required?

A: Yes, it is a requirement of our program. We do not accept companies into the program without a fully executed warrant.

Q: What do we do with the warrants?

A: Nothing, until you exit or IPO. Then, we do a cashless exercise of the warrant and use the proceeds to support future entrepreneurs through the Elemental Excelerator program. We are a non-profit and not looking to benefit the program unless and until you succeed. We are rooting for you through and through!





Elemental Excelerator's Application Process

Descriptions of each stage in our application process can be found on the following pages.



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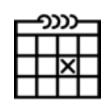


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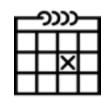
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Today	Pre-Application <u>elementalexcelerator.com/apply</u>	90 seconds (time to complete)	
Apr 10 - May 25, 5:00pm HST	Online Application Round 1	3-5 hours	250 companies
End of June 2017	Financial & Technical Review Round 2	6-8 hours (assuming you are updating existing due diligence materials)	50 companies
July - Aug 2017	Interviews Round 3	2-4 hours	30
Sept 2017	Cohort Selection		companies
Oct 2017	Demonstration & Go-to-market Kickoff Week		12
Jan 2018	Demonstration Track ONLY: Project Selection		companies







Today **Pre-Application**

elementalexcelerator.com/apply

This is the first step and should take only 60 seconds! Entering your email and some quick information here gives you access to our online application after April 10.

90 seconds (time to complete)

3-5 hours

Apr 10 - **Online Application**

May 25 Round 1

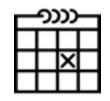
The application is structured to tell us about your business model, technology, and team. There is one application for all applicants in which we will ask you to indicate the track you are applying for (Go-to-market or Demonstration). Demonstration Track applicants have a few more questions designed to help us learn more about your project.

250 companies

Before submitting your online application, please:

- 1. Review the entire Applicant Package
- 2. Determine if you are applying to the Go-to-market or Demonstration Track (descriptions on page 18)
- 3. Attend a pre-application workshop and/or online office hours (details on page 12)

Applications close May 25 at 5:00pm HST. We expect to notify those moving on to Financial & Technical Review by the end of June.





6-8

hours

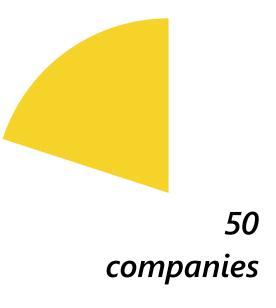


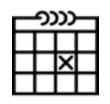
Jun 2017 Financial & Technical Review

Round 2

After notification of acceptance into the Financial & Technical Review, you will be asked to submit the following items:

- 1. **3-minute video**: Video of members of your team and your technology in operation. An iPhone video is fine; no need to spend resources on high production value.
- 2. One-page executive summary
- 3. **Technical summary**: One-page overview of your technology describing what it is and how it works. Please include technical references and a diagram.
- 4. Investor presentation deck
- 5. **Financial statements**: Balance sheet, income statement/projections, and statement of cash flows.
- 6. Investor list & cap table: Comprehensive list of your investors and a point of contact for each.
- 7. **Customer list**: Comprehensive list of your paying customers and a point of contact for each.
- 8. **Customer documents**: Customer discovery results (i.e. results of customer interviews) and size/description of pipeline.
- 9. Accountants and legal representation: Names and contact info.
- 10. CEO and Board Acknowledgement of warrant
- 11. Additional questions: We may send additional questions after reviewing your application.
- 12. GO-TO-MARKET ONLY Business Model Canvas
- 13. **DEMONSTRATION ONLY Letters of support** from customers and/or partners involved in the proposed project (see page 21 for details).







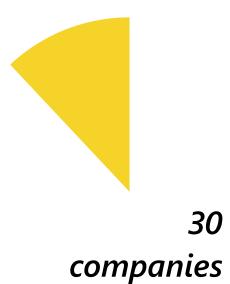
2-4 hours



Jul - Aug 2017 **Interviews**

Round 3

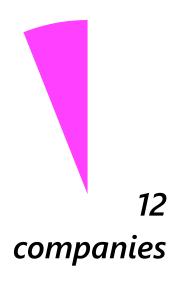
The interview process will be iterative and will include 2 to 3 interviews which typically include product demonstrations.



Sept 2017

Cohort Selection

We plan to select 12-15 finalists for our 2018 cohort in September 2017. Decision notifications will be sent to the email address in your application.

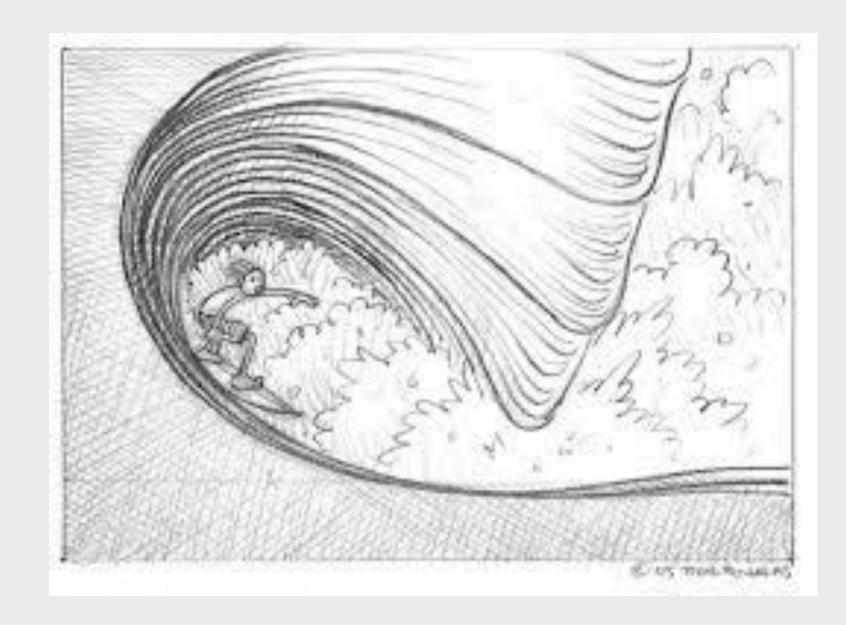


Jan 2017

Demonstration Track ONLY: Project Selection

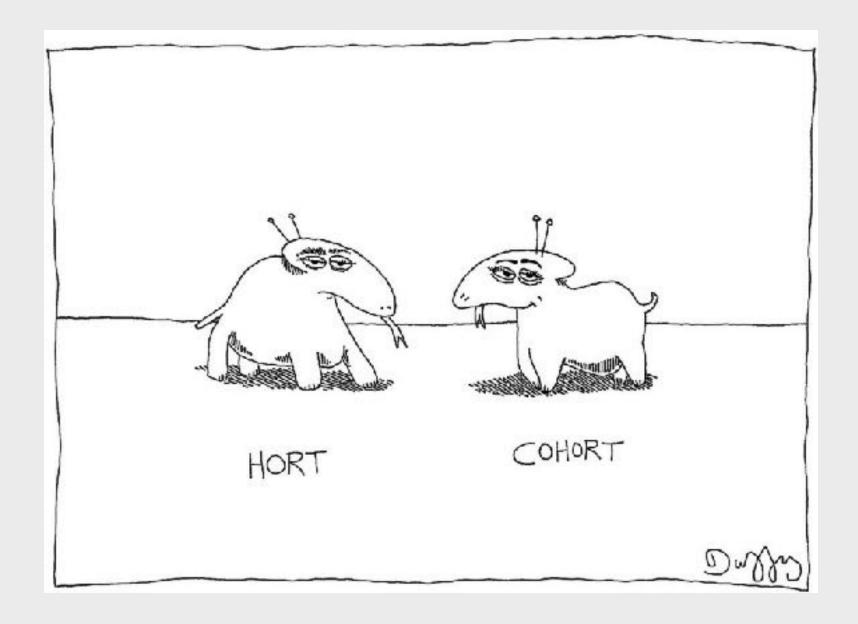
After Demonstration Track finalists spend a week in Hawaii meeting with potential partners & stakeholders, we will finalize project details from October 2017 - January 2018.

A Deeper Dive



BLOG

Our View From Inside the Innovation Pipeline
Last year, over 300 companies took the first step to
apply. We broke them down by industry and how
they're being funded in a blog post.



BLOG

Building a Cohort

We look for ways to <u>connect the right people</u>, <u>companies and solutions</u> to accelerate our path to 100% clean energy, not just in Hawaii, but across the world.



