

FAROS ACCELERATOR REGULATIONS

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1. FAROS ACCELERATOR

FAROS is the Blue Economy Accelerator of the CDP National Network.

The first Italian accelerator dedicated to startups in the blue economy, FAROS was created to promote a sea economy that supports resilient, innovative, and sustainable development.

Promoted by CDP Venture Capital SGR, FAROS is managed by [a|cube](#), a social and environmental impact business accelerator, as well as by local manager [Wylab](#) with the strategic support of [PortXL](#), Rotterdam's leading maritime accelerator.

Operating both at national and international level, FAROS promotes its activities through two important Italian hubs: Taranto and La Spezia.

The development and implementation of activities is the result of the valuable collaboration with local bodies - both public and private - that provide strategic and operational support, helping startups in their growth and development process, also by carrying out pilot projects (PoC) aimed at testing new solutions.

FAROS | TARANTO HUB

The activities of the Taranto Hub are carried out thanks to the collaboration with the **Port Authority of the Ionian Sea - Port of Taranto**, an institutional partner oriented towards the global promotion of the Ionian seaport and the relaunch of Taranto's industrial-logistics and tourism system.

The **main partners** of the Taranto Hub are **Intesa Sanpaolo** and **Acciaierie d'Italia**.



L'Acceleratore Blue Economy
della Rete Nazionale CDP

The institutional partnerships of the Municipality of Taranto, the Taranto Chamber of Commerce and the University of Bari Aldo Moro.

FAROS | LA SPEZIA HUB

The activities of the La Spezia Hub are carried out in collaboration with the **Port System Authority of the Eastern Ligurian Sea - Ports of La Spezia and Marina di Carrara**, an institutional and territorial partner oriented to promote the industrial ecosystem and the integration of the ports of La Spezia and Marina di Carrara.

Investor partners of the La Spezia Hub are **Crédit Agricole** and **Duferco**.

Main partner: Acciaierie d'Italia.

The **institutional partnerships** of the Municipality of La Spezia, the Chamber of Commerce of the Riviera di Liguria, the Carispezia Foundation and PromoStudi La Spezia.

Supporting the programme are also important **corporate partners** such as Joule: Eni school of entrepreneurship, BCC San Marzano, JV Tempa Rossa and RINA who provide distinctive industry expertise, contribute to the growth of a widespread network, and ensure the possibility of initiating pilot projects with different business lines.

FAROS also benefits from an extensive **network of organisations and centres for research and innovation** that contribute to the scouting of startups and share their know-how through highly specialised mentoring and training activities.

2. THE BLUE ECONOMY SECTOR

According to the European Commission, the Blue Economy is a fast-growing sector that contributes more than EUR 180 billion to Europe's GDP.

In 2019, the sector employed almost 4.5 million people and generated around EUR 670 billion in turnover and EUR 184 billion in Gross Value Added (GVA).

Emerging fields such as renewable offshore, nearshore and onshore energy, marine biotechnology and robotics are growing rapidly and will play an important role in the EU's transition to a zero-carbon, circular and biodiverse economy.

To make this sector more resilient and competitive, growth will require the incorporation of sustainable practices within the various value chains to establish more sustainable maritime business practices, reduce waste, create jobs and gain competitive advantages (*Source: The Blue Economy Report, 2022*).

FAROS intends to exploit this potential with an acceleration programme dedicated to startups in the field of port innovation and blue growth that aim to develop sustainable, disruptive and responsible technological solutions.

3. PURPOSE OF THE PROGRAMME AND SCOPE OF THE CALL FOR STARTUPS

FAROS enhances the **innovation** of the entrepreneurial ecosystem in the field of the **Blue Economy by providing support** in the development and growth phases to the most relevant Italian and international **startups** operating with innovative and sustainable business models in the following fields:



- **Ocean Data:** intelligent systems and innovative technologies for collecting, monitoring and evaluating data from the sea and oceans
- **Ocean Energy Systems:** creation of a mix of offshore, nearshore and onshore energy production and storage
- **Sea Health & Restoration:** prevention, protection, restoration and monitoring of the marine environment and ecosystem
- **Smart Ports & Green Shipping:** digital and automated processes for the optimisation of port activities and the decarbonisation of maritime transport
- **Sustainable Aquaculture:** farming and processing of fish, algae and molluscs for food production
- **Disruptive Uses of Blue Resources:** using natural marine resources in innovative and disruptive industrial applications and processes
- **Shipbuilding:** innovative and sustainable processes and technologies to apply in the shipbuilding industry
- **Coastal Tourism:** services for the development of a more sustainable tourism supply chain

The programme, structured through the two hubs of Taranto and La Spezia, is aimed at:

- consolidating the relationship between the blue economy, port innovation and territories
- establishing the two hubs as international points of attraction for young talents, startups and innovators
- strengthening the relationship between startups, companies and a broad ecosystem of stakeholders for a value chain that puts innovation at the centre of processes
- encouraging actions and approaches in line with the principles of circularity, sustainability and local development.

The two Hubs will give priority to startups offering innovative solutions in specific sectors that are peculiar to the local area.

In particular, the Taranto Hub will give priority to the following sectors:

-  Ocean Data
-  Smart Ports & Green Shipping
-  Ocean Energy Systems

 Sea Health & Restoration

While the La Spezia Hub will focus on:



Coastal Tourism



Shipbuilding



Sustainable Aquaculture



Disruptive Uses of Blue Resources.

4. TIMELINE OF THE ACCELERATION PROGRAMME

The programme is structured based on the following phases:

- **Call for startups** (May 29th - August 27th 2023): deadline to send the application to participate in the programme through the relevant page on the F6S platform.
- **Selection of startups** (August - September 2023): selection of the best candidate startups based on pre-defined criteria and the interests expressed by the partners participating in the programme
- **Acceleration programme and pilot project development** (October - February 2023): guidance and support in business development through the acceleration path; in parallel, development of a pilot project for selected startups following evaluation by the corporate partners involved in the programme
- **Demo day** (February 2024): presentation of outputs to partners and potential investors

The dates indicated are tentative and may be subject to change.

5. OVERVIEW OF PROGRAMME CONTENT AND METHODOLOGY

FAROS supports selected startups with an entrepreneurial acceleration programme that provides training and advisory support to consolidate their business model and rapidly scale growth in terms of both economic results and social and environmental impact.

The acceleration programme will be structured on the basis of theoretical-practical training modules on a monthly basis, one-to-one appointments with the internal acceleration team, external mentors and advisors, and events that include visits and networking.

More specifically, selected startups will be able to take advantage of the following services:

- **Acceleration path:** masterclasses and lessons, testimonials, knowledge sharing, sprint sessions with specialised tutors, one-to-one consulting activities
- **Open innovation:** consultancy and mentoring for startups to design and implement pilot projects (POC) with industrial partners
- **Investment in the form of a convertible bond of up to € 65.000**
- Specialised **mentoring** with sector experts from the mentoring network
- **Networking** with national and international stakeholders
- **Potential seed and follow-on investments between € 200.000 and € 275.000**
- **Workspace** available to startups at the accelerator's premises in Taranto and La Spezia for the duration of the programme

THE METHOD

The acceleration programme will follow a methodology based on the framework and approach proposed by the Lean Startup and Scrum Method.

The programme will be structured in sprint sessions – 'Waves' - which will focus on defining growth objectives and related tasks with the startups, which will be achieved and reviewed alongside their tutor.

During the Waves, the startups will follow training modules focusing on the 4 fundamental areas of development of a new innovative company: product, strategy, finance, company management & fundraising.

During these events, the startups will have the opportunity to develop their specific objectives under the supervision of the programme tutors, using the 'Scrum' methodology, which makes it possible to organise work in 'sprints'. Sprints are work sessions focused on the achievement of short-term objectives, which allow the startup to rapidly validate its business assumptions in an 'iterative' manner, reducing the entrepreneurial risk at each sprint and gradually transforming assumptions into verified suppositions.

THE PATH

The Waves will be intensive masterclass and workshop and tutoring sessions lasting approximately one week each and held on a monthly basis.

The activities will be carried out in parallel in the two hubs of Taranto and La Spezia.

The Path includes:

- **masterclasses and theoretical-practical lessons** - these will focus mainly on business development, innovation and sustainability issues.
- **events** - the main plenary events will be the Welcome Day - at the beginning of the programme - and the Demo Day - at the end. Visits and networking sessions will be organised during the programme as part of the Waves in the two hubs.

- **mentoring** - the meetings with the mentors will take place as individual sessions. The mentor network (20+) consists of: research institutes, corporate companies, networks and associations, universities and polytechnics, incubators and accelerators, innovation hubs.
- **open innovation** - in parallel with the acceleration program, some startups will be able to carry out, in collaboration with corporate partners, a pilot project to test their product on an industrial scale. The development of pilot projects requires the startups selected for this activity to have an additional presence in Taranto or La Spezia for field activities, such as tests or inspections.

The acceleration process will be characterised by a careful evaluation of the startups' strategies and geared towards social and **environmental impact objectives**. The startups will be supported in building a growth plan deliberately oriented towards producing social and environmental benefits, through assessment and planning tools that refer to national and international standards.

MEMBERSHIP AND INVESTMENT CONDITIONS

All startups, after signing the investment agreement, will receive an investment in the form of a convertible financial instrument ("convertendo") of up to € 65.000.

The investment agreement makes it possible to bring capital and new investors into the corporate structure, without the immediate transfer of corporate equity (this will take place at the time of a subsequent increase in the qualified capital of your startup).

At the end of the acceleration programme some startups will have the opportunity to obtain a follow-on investment of between €200,000 and €275,000.

THE ACCELERATOR'S SPACES AND THE HUBS

For the entire duration of the acceleration programme, all startups will have the opportunity to use free spaces at the two Faros hubs in Taranto or La Spezia.

At the end of the selection phase, the selected startups will be assigned to a Hub of reference based on the sector of the blue economy that best describes the social object of the innovative enterprise.

Activities will be carried out in the Hub assigned to each startup, with the exception of events and networking opportunities that may take place in the other Hub.

LANGUAGE OF THE ACCELERATION PROGRAMME

Due to the international character of the programme and the call, teaching materials will be delivered in English. Depending on the nationality of the selected startups, lessons may be delivered in Italian or English.

6. ELIGIBILITY CRITERIA

Companies that meet at least one of the following three criteria are eligible to participate in the call:

1. Established or constituting Italian limited liability companies (s.r.l.) or joint stock companies (S.p.A.) with registered office in Italy;
2. International companies that will open their registered office in Italy after the selection phase in order to access the acceleration programme;
3. Dual companies with registered office or operational headquarters within Italy.

In order to access the acceleration programme, companies must:

- have a product/service at the prototype stage or already validated on the market
- have a team or company structure involving at least two people who are predominantly committed to the company
- have a positive social, environmental and/or cultural impact

Companies with one or more of the following qualifications will be positively evaluated

- innovative startup with a social mission
- social enterprise
- benefit company
- certified by B Corp.

Startups are also required to meet compliance and admissibility criteria regarding sector legislation on labour, worker protection and respect for the environment.

7. HOW TO APPLY

Startups can apply for the programme on the F6S platform from 29th May 2023 to 27th August 2023.

Partial applications, sent through other channels and/or after the date of 27th August 2023 will not be accepted.

In order to finalise the application, startups must upload the following documents and attachments via the F6S platform:

- Investor deck, PDF slides format (mandatory)
- 3-year forecast business plan, excel format (mandatory)
- CV of founders (mandatory)
- Company registration with the Chamber of Commerce (mandatory for incorporated companies)
- Shareholder structure (mandatory for incorporated companies)
- Chamber of Commerce certificate (mandatory for incorporated companies)
- Website link or other relevant pages (mandatory)
- Business plan, PDF text format (optional)

- Links to other relevant multimedia content (optional)

During the application phase, startups may indicate their Hub of reference (Taranto or La Spezia) according to the sectors of the blue economy they are most interested in (see point 3).

In case of selection, the organisers reserve the right to propose to the startup the Hub they consider most suitable for its acceleration path.

8. SELECTION PROCESS

Applications correctly submitted no later than 27th August 2023 will be subject to an initial formal validity check, aimed at ascertaining the correctness and completeness of the application itself and of the eligibility criteria (see point 6).

The selection is then divided into two different phases:

PHASE 1

All startups that have successfully completed the preliminary screening will be assessed by a jury of experts according to the following criteria:

- **Scope:** alignment of the startup with the aims of FAROS in terms of sectors, objectives and potential impact within the areas of the hubs
- **Functionality and prototyping:** the product/service or technology has already been successfully tested and/or optimised accordingly, including testing in a closed environment
- **Impact:** having a product/service and business model with a positive and measurable social, environmental and/or cultural impact and being committed to both creating community benefits and addressing the needs of all stakeholders
- **Innovation and disruptiveness:** ability to produce experimental and innovative solutions with respect to the reference context, through the use of disruptive processes and/or technologies
- **Economic-financial sustainability:** ability of the startup to sustain itself autonomously in the medium to long term from an economic point of view
- **Scalability and replicability:** ability to increase customers, volumes, outputs and/or impacts exponentially without the use of proportional resources, even in different places and periods, without revolutionising the business model
- **Team:** suitability and completeness of the professional skills employed, presence of different technical backgrounds and related skills

PHASE 2

The (20-25) startups with the highest scores during Phase 1 (so-called Shortlisted) will have the opportunity to take part in the FAROS Selection Day which will consist of a pitch presentation of startups in front of a jury composed of the partners of the accelerator.

In order to participate in the Selection Day, all shortlisted startups will be asked to sign a Term Sheet, containing the main terms and conditions of investment and the procedures for participation in the programme.

The signing of the Term Sheet represents a mandatory condition for shortlisted startups to be able to participate in the Selection Day and consequently, to be able to access the acceleration programme.

Signing the Term Sheet binds the startup to participate in the programme, should it be selected.

Renunciation of participation may result in sanctions for the startup.

For the assessment process of the finalists, an integrated rating model will be applied, consisting of an evaluation system that allows investment opportunities to be ranked according to their potential to generate financial, environmental and social value.

On the basis of the jury's choices, the startups that will have access to the FAROS acceleration programme will be selected.

9. ACCESS TO THE PROGRAMME

The result of the selection process will be communicated to the startup via e-mail.

Selected startups will also be asked to provide additional documentation about the company and sign the following documents:

- **Investment agreement** - including the main terms and conditions already presented in the Term Sheet
- **Statements, warranties and indemnity obligations**
- **Contract of services** of the programme included as an attachment within the Investment Agreement.