

FAROS ACCELERATOR REGULATIONS

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1. FAROS ACCELERATOR

FAROS is the Blue Economy Accelerator of the CDP National Network. Italy's first accelerator dedicated to start-ups and scale-ups in the blue economy, FAROS was created to promote an innovative marine economy, fostering resilient and sustainable development.

Promoted by CDP Venture Capital SGR, FAROS is managed by a|cube, a social and environmental impact business accelerator, and by local manager Wylab.

FAROS has both a national and international scope and promotes its activities through two relevant Italian hubs, Taranto and La Spezia.

The successful development and implementation of its activities is linked to the valuable collaboration with local public and private organisations, which provide strategic and operational support to start-ups in their growth and development process, including through the implementation of 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 System Authority of the Ionian Sea - Port of Taranto**, an institutional partner geared towards the global promotion of the Ionian port and the development of Taranto's industrial-logistics and tourism system. The **Main Partners** of the Taranto hub are **Intesa Sanpaolo and Fincantieri**.

Other institutional partners are the Municipality of Taranto, the University of Bari and the Brindisi-Taranto Chamber of Commerce.

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 whose aim is to promote the industrial ecosystem and the integration of the ports of La Spezia and Marina di Carrara.

Co-Investors of the La Spezia Hub are **Crédit Agricole** and **Duferco**.

Main Partner: Fincantieri.

Other institutional partnerships include the Municipality of La Spezia, the Carispezia Foundation and PromoStudi La Spezia.

Important corporate partners such as ENI - ENI Joule Business School, BCC San Marzano, RINA support the programme.

FAROS also benefits from an extensive **network of organisations as well as research and innovation centres** that contribute to the scouting of start-ups 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 2020, it directly employed almost 3.4 million people, generating approximately EUR 523 billion in turnover and EUR 129 billion in Gross Value Added (GVA). (Source: *The Blue Economy Report, 2023*).

In addition to traditional ocean-related activities such as fishing, tourism and maritime transport, the Blue Economy includes emerging sectors such as renewable energy, aquaculture and marine biotechnology, which are experiencing rapid development. These sectors, when integrated with 'nature-based' approaches such as carbon sequestration and coastal protection, are key to the EU's transition to a circular, carbon-neutral and resilient economy that can address global challenges related to climate and biodiversity protection.

Addressing these challenges requires the adoption of sustainable practices that can preserve ecosystems through action aimed at their protection, regeneration and restoration, while maintaining economic competitive advantages and creating jobs.

Start-ups and innovators are emerging with solutions targeted at restoring the health of the oceans and promoting a sustainable Blue Economy, with the help of public and private investment and support platforms (incubators, accelerators, matching platforms). These innovations, covering a wide range of interconnected and interdependent sectors, can drive a systemic transformation in the Blue Economy.

FAROS intends to tap into this potential with an acceleration programme dedicated to start-ups in the Blue Economy, port innovation and conscious use of marine resources focused on developing sustainable, disruptive and responsible solutions.

3. AIM OF THE PROGRAMME AND SCOPE OF THE CALL FOR START-UPS

FAROS intends to boost **innovation** and the entrepreneurial ecosystem in the field of the **Blue Economy** by promoting innovation for the optimization of port activities and sustainable shipping, supporting the protection and restoration of marine ecosystems and encouraging the conscious use of its resources, supporting the use of ocean data and the development of marine energy systems.

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

- consolidating the relationship between the blue economy, maritime and port innovation and cities
- establishing the two hubs as international points of attraction for young talents, start-ups and innovators
- strengthening the relationship between start-ups, 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 accelerator is designed to provide **support** in the development and growth phases of the most relevant Italian and international **start-ups** and **scale-ups** operating with sustainable and innovative business models in the following fields:

- **Ocean Data:** intelligent systems and innovative technologies to collect and evaluate data from the sea and oceans for monitoring and forecasting activities
- **Ocean Energy Systems:** development of sustainable energy systems from renewable sources, including onshore and offshore technologies and innovative energy storage solutions
- **Sea Health & Restoration:** prevention, protection, restoration and monitoring of the marine environment and ecosystem using nature-based solutions
- **Shipbuilding:** innovative processes, technologies and products for a more sustainable shipbuilding and shipping industry
- **Coastal Tourism & Cultural Activities:** services for the development of more sustainable coastal tourism with a view to generating positive social, economic and environmental impact
- **Smart Ports & Green Shipping:** digital and automated processes to optimise port activities, improve safety and reduce carbon emissions (decarbonisation) of maritime transport
- **Disruptive Uses of Blue Resources:** use and transformation of natural marine resources into innovative and disruptive industrial applications and processes

4. PROGRAMME TIMELINE

The programme is structured based on the following phases:

- **Call for start-ups** 10 April 2024 - 16 June 2024
Timeframe for applying to participate in the programme through a submission page on the F6S platform.
- **Selection of start-ups:** 17 June 2024 - July 2024
Selection of the best candidate start-ups based on the pre-established criteria and the areas of interest expressed by the partners involved in the programme. Bootcamp and Selection Day held at the Taranto Hub for shortlisted start-ups.
- **Signature of investment agreements and ancillary documentation:** August 2024 - October 2024
- **Acceleration programme and pilot project development:** November 2024 - March 2025
Support and tutoring activities in business development through the acceleration programme; in parallel, development of a pilot project for some of the start-ups selected following evaluation and selection by the corporate partners involved in the programme.
- **Demo Day:** March 2025
This event is an opportunity to present the outputs of the acceleration programme and pilot projects to potential partners or investors.

The dates provided are provisional and may be subject to change

5. THE CONTENT OVERVIEW

FAROS offers selected start-ups an entrepreneurial acceleration programme that provides training and advisory support to consolidate the proposed innovative model and rapidly scale growth in terms of both economic results and social and environmental impact.

Specifically, the selected start-ups will be able to take advantage of the following services:

- **Acceleration path:** masterclasses, theoretical and practical lessons, testimonials, workshops
- **Open innovation:** consultancy and coaching for start-ups to design and implement pilot projects (POC) with industrial partners
- **Investment in the form of *convertendo*** (mandatory convertible instrument) of € 75,000 and **potential follow-on** between € 200,000 and € 400,000
- **Mentoring** with industry experts from the FAROS network of 40+ organisations working in the innovation and blue economy
- **Networking** with national and international stakeholders
- **Workspace** available to start-ups at the Accelerator's premises in Taranto or La Spezia for the duration of the programme

The programme

The programme will cover a total duration of 5 months and will combine online activities and face-to-face meetings. It will include four (4) intensive weeks of in-presence work ('Waves') that will be held monthly.

During the Waves the start-ups will focus on training modules on topics such as business modelling, tech validation, positioning, go-to-market, strategic partnerships, business development, financial planning, investor relations and corporate governance.

The course will include the following activities:

- **training:** masterclasses, testimonials, workshops and theoretical and practical lessons (during the Waves);
- **events:** the main events, scheduled in plenary session, will be the Ecosystem Lab (at the beginning of the programme), the Investor Meeting and the Demo Day (at the end). Visits and networking opportunities will be held in the two Hubs (during the Waves);
- **tutoring:** each start-up will be followed by a Tutor who will check the progress of the programme and structure the mandatory deliverables (online - weekly);
- **mentoring:** meetings with mentors will take place in one-to-one sessions. The mentors from the FAROS ecosystem, who have cross-cutting know-how in different areas of the blue economy, will be able to support the start-ups based on their needs. The network of mentors (40+) consists of research institutes, corporate companies, networks and associations, universities and polytechnics, incubators and accelerators, and innovation hubs with experience in the blue economy. Online mentoring can also be arranged throughout the programme (*upon request*);
- **open innovation:** in parallel with the acceleration programme, some start-ups will be able to carry out pilot projects (POC) to test new solutions, in cooperation with corporate partners that are part of the programme. The development of pilot projects requires the selected start-ups to be present in Taranto or La Spezia for activities in the field, such as tests or inspections;
- **sustainability path:** the acceleration path will be complemented with strategies and guidance towards social and environmental impact objectives. The start-ups 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.

All start-ups will have the opportunity to use free spaces in Taranto or La Spezia for the entire duration of the acceleration programme.

Given the international dimension of the programme and the call, and depending on the country of origin and background of the selected start-ups, teaching materials and lessons may be provided and delivered in English.

Conditions of participation and investment

Upon signing the investment agreement, all start-ups will be granted an investment in the form of a €75,000 *convertendo* (of which 20% will be returned by the start-ups to the programme organisers as a contribution to the costs necessary for the provision of acceleration services).

The investment agreement is similar to an American SAFE (see [Simple Agreement for Future Equity](#)) and allows capital and new investors to be brought into the corporate structure, without the immediate transfer of corporate equity (this will take place upon a subsequent qualified capital increase of the start-up).

At the end of the acceleration programme some start-ups will have the opportunity to obtain a follow-on investment of between €200,000 and €400,000.

6. ELIGIBILITY CRITERIA

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

- Italian limited liability companies (S.R.L.) or joint stock companies (S.p.A.) with registered offices in Italy
- Unincorporated companies, perspective companies or university spin-offs that will be established as limited liability companies (S.R.L.) or joint stock company (S.p.A.) with registered office in Italy
- International companies with an Italian founder that will open a legal entity in Italy after the selection phase
- International companies that will open parent company in Italy after the selection phase
- Dual companies with legal or operational headquarters within Italy

In order to qualify for 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 characteristics will be positively evaluated:

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

Start-ups are also required to meet compliance and eligibility criteria regarding compliance with sector legislation on labour and worker protection as well as to commit to a responsible environmental impact both at product level and in terms of minimisation of key environmental performance.

7. HOW TO APPLY

Start-ups can apply for the programme on [F6S](#) from 10 April 2024 to 16 June 2024 23.59 CET.

Partial, unfinished applications sent through other channels and/or after the date of 16 June 2024 will not be accepted.

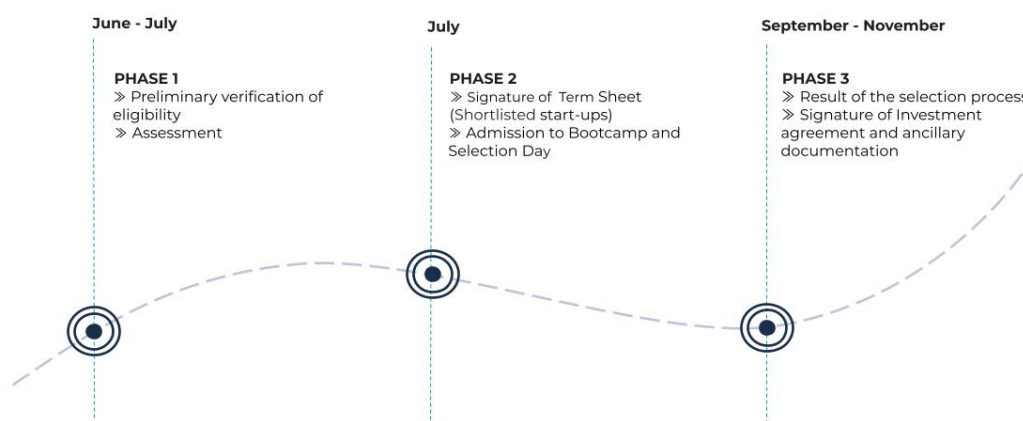
In order to finalise the application, start-ups must upload the following documents and attachments via the F6S platform:

- Investor deck, PDF slides format (mandatory)
- 3-year forecast business plan, excel format (mandatory)
- CVs of founders (mandatory)
- Company registration with the Chamber of Commerce (mandatory)
- Shareholder structure (mandatory)
- HD company logo (mandatory)
- Patent(s) (mandatory if applicable)
- Certificate of Incorporation issued by the Chamber of Commerce (mandatory for incorporated companies)
- Website link or other relevant pages (mandatory)
- Business plan, PDF text format (optional)
- Links to other relevant multimedia content (optional)

8. SELECTION PROCESS AND ACCESS TO THE PROGRAMME

Applications, correctly submitted no later than 16 June 2024 at 11.59 p.m. CET, will be subject to a preliminary formal regularity check, aimed at ascertaining the correctness and completeness of the application and the eligibility criteria (point 6).

Selection is then divided into three different phases



PHASE 1

All start-ups that pass the preliminary verification will be assessed by the acceleration team and programme partners according to the following criteria:

- **Scope:** alignment of the start-up with the aims of FAROS in terms of areas of expertise, objectives and potential impact within the hub territory
- **Functionality and prototyping:** the product / service or technology was already successfully tested and/or accordingly optimised, including testing in a closed environment

- **Impact:** the product / service and business model has a positive and measurable social, environmental and/or cultural impact and is designed to both generate community benefits and address the needs of all stakeholders
- **Innovation and disruptiveness:** ability to produce experimental and innovative solutions with respect to the reference context, using disruptive processes and/or technologies
- **Economic-financial sustainability:** ability of the start-up to be self-sustaining in the medium-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 transforming the business model
- **Team:** adequacy and completeness of the professionalism employed, presence of different technical backgrounds and relevant skills

An **integrated impact rating model** will be used to assess the sustainability profile of start-ups, a preliminary (ex-ante) evaluation system that allows investment opportunities to be ranked according to their potential to generate financial, environmental and social value.

Before the end of the call, some start-ups that have finalised their application in advance will be invited to participate in online meetings with the FAROS team and corporate partners. These meetings do not constitute formal evaluation moments but are designed to foster a better understanding of the start-ups and their business models.

PHASE 2

The start-ups with the highest scores (the Shortlisted start-ups) will have the opportunity to participate in the FAROS Bootcamp and Selection Day (for a total duration of two days), which will take place in the first half of July at the Taranto Hub. The Bootcamp includes a day of meetings with the FAROS team and pitch rehearsals in preparation for the Selection Day. The latter is when the start-ups present their business pitch to a jury composed of members of the FAROS team and the accelerator's partners.

In order to participate in the Selection Day, all Shortlisted start-ups (20-25) will be asked to **sign a Term Sheet**, containing the main terms and conditions of investment and how to participate in the programme.

The signing of the Term Sheet is a mandatory requirement for Shortlisted start-ups to be able to participate in the Selection Day and, consequently, to be eligible for the acceleration programme.

Withdrawal from participation following the signing of the Term Sheet may result in sanctions for the start-up.

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

PHASE 3

The result of the selection process will be communicated to start-ups via e-mail by the month of September. Start-ups that are not selected or shortlisted will also be informed of the outcome of the evaluation during the same period.



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In order to access the acceleration programme, selected start-ups (8-10) will also be asked to provide additional documentation about the company and to sign the following documents:

- **Investment agreement** – whose main clauses and conditions are already presented in the Term Sheet
- **Declarations, warranties and indemnity obligations**
- **Contract of services** and terms of participation in the programme, signed directly between the selected start-up and alcube as programme manager of the acceleration programme.