Kanoa Winds, Inc.

Investment Brief

March 2024

OVERVIEW

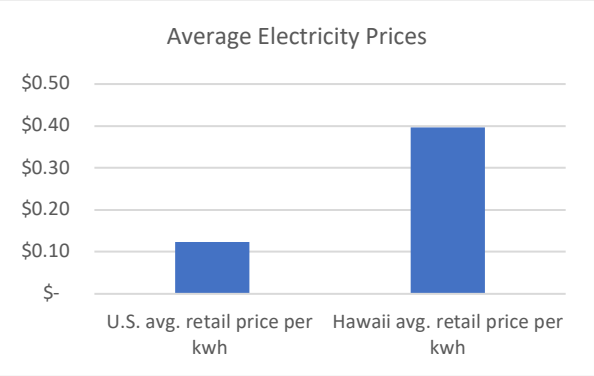
Kanoa Winds is in the business of designing, developing, and marketing distributed generation, wind power systems for the small wind (1kW-100kW) market. Our initial plan is to introduce our technology to the state of Hawaii. Our wind power systems are focused on distributed energy, where a specific machine's energy output is largely or entirely used on-site where the equipment is installed, as well as grid connected applications.

Background

Fossil fuels, mostly petroleum products, generate the majority of Hawaii's electricity, but renewable energy accounts for a growing share. In 2014, petroleum fueled less than 70% of the state's total electricity generation from utility scale (1 megawatt or larger) and small-scale (less than 1 megawatt) generating systems for the first time, due to solar power growth. In 2022, petroleum's share of state generation was down to 62%.[1] Hawaii utilities plan to retire more of their petroleum-fired generating capacity and add renewable generating units and related battery storage.

Renewable energy sources supplied most of the rest of the state's electricity. The share of Hawaii's total electricity generation produced by all renewable sources, including from small scale solar such as rooftop solar panels, was 29% statewide in 2022.

While renewable sources continue to grow on the islands, the state's large use of petroleum for generating electricity and its isolated island grids contribute to Hawaii having the highest average electricity price of any state and nearly triple the U.S. average.



In addition, the average monthly commercial electricity bill in Hawaii is 148.97% greater than the national average monthly bill.[2]

Kanoa Winds (the "Company") intends to address the challenge of high electricity prices for small-to-mid size and commercial businesses, supplying micro-grid wind power with its patented[3] vertical axis wind turbine, which efficiently captures wind power in compact cluster formation at its energy parks, allowing businesses to significantly reduce electricity costs while reducing reliance on fossil fuels.

The Company's revolutionary turbine is a breakthrough in small-wind energy that is highly efficient in power generation, remains fully functional at high wind speeds without shutting down, quietly operates at ≤ 40 dB, and is wildlife friendly (large wind turbines often kill birds and bats). This technology has been in production in Japan for more than a decade with highly positive results in many applications and environments.

Hawaii's goal is to achieve 100% renewable energy by 2045. On Oahu alone there are more than 30,000 commercial metered accounts spending a staggering US$143 million per month on electricity. Kanoa Winds will target enterprises with monthly electricity bills exceeding US$1,000 with its optimized 2 kW Gen2 VCCT turbines (vertical coaxial contra-rotating twin blades), which provides a faster return on investment to customers than most renewable energy systems.

The company will establish energy parks in strategic locations on Oahu, Maui, and Molokai, harnessing regions with stable wind velocities over 20 mph such as Oahu's north shore. When businesses invest in

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[1] Energy Information Administration.

[2] Electricity Local website last accessed November 20, 2023 < Hawaii Electricity Rates | Electricity Local >

[3] Except for conditions of termination stipulated in the License Agreement, the license rights are perpetual in the Territory.

one or more turbines, they will most often be located within a Kanoa Winds e-park for optimized performance and economic benefit. Kanoa Winds provides the equipment, and manages installation, monitoring, and power grid integration. Customers can benefit directly from a tangible reduction in monthly electricity costs, an attractive payback period as low as 6 years, and receipt of state and federal green tax credits. Based on lengthy experience in Japan, VCCT turbines have an expected life of 20 years or more with minimal maintenance, providing customers with decades of sustainable, cost-effective power generation.

The founder of Kanoa Winds is a globally recognized expert in the practical application of next generation energy solutions in advanced permanent magnets, batteries, and energy systems. He has capitalized the business development to date. Many high-level relationships in Hawaii have been established. The core technology has been developed and proven, and improvements will be introduced on an ongoing basis. The company is now prepared for external capital investment to establish its energy parks and launch its sales program.

Investment

We are raising up to $2,250,000 through the sales of up to 45 Units, where each Unit consists of 50,000 shares of Kanoa Winds Series A Preferred stock, par value $0.001 (the “Shares”) for a price of Fifty-Thousand Dollars ($50,000) per Unit (the “Offering”). The Shares have a liquidation preference of 1.5x. The Offering is being made pursuant to an exemption from registration under Rule 506(b) of Regulation D of Section 402(a)(2) of the Securities Act.

We anticipate the maximum proceeds from the Offering will be sufficient to sustain our operating plan through Q1 2025, at which point we anticipate a follow-on equity or debt offering up to $2,250,000.

The funds will be used for certification in the U.S. market for our turbines, continued research and development that will expand our product offering to larger scale turbines, sales and marketing and operating capital.

Current Shares Out		6,000,000
2023 Stock Plan		1,500,000
Series Seed Offering	$	2,250,000
Offering Price	$	0.75
Shares Offered		3,000,000
Shares Out Post Offering		10,500,000
Post Offering Valuation	$	7,875,000
Minimum Investment / One Unit	$	50,000
Shares / Unit		66,667
Total Units Offered		45

Kanoa Winds

Since its establishment in December 2022, Kanoa Winds has achieved a series of significant milestones that underscore its commitment to pioneering wind energy solutions.

One of the most notable accomplishments was securing an exclusive perpetual license agreement for two vital VCCT patents (dated 2006 and 2021) for the USA and its territories. This agreement was finalized in May 2023, ensuring that Kanoa Winds has the exclusive rights to import and/or manufacture in the US and the authority to establish sub-licensees to this transformative technology.

To further bolster its intellectual property position in the US, Kanoa Winds successfully filed the US Patent Cooperative Treaty for examination in July 2023 for the key 2021 Japan patent. This strategic move is crucial to protect innovations from potential infringement and to strengthen market position.

In May 2023, Kanoa Winds imported a 0.3 kW Gen1 VCCT into Hawaii in November 2023 we imported a 0.5 kW Gen2 VCCT. These two VCCT units mark the first time this potentially disruptive Japanese technology has ventured outside of Japan. Both systems will be installed in the Oahu e-park.

Kanoa Winds has established a strategic China-free supply chain and collaborated with OEMs to minimize material procurement costs for the US market. This, in combination with solid business relationships and world-class IP development capabilities, set Kanoa Winds on a trajectory of growth and small wind market leadership.

Our team has strategically diversified the Company's revenue streams to balance a rapid path to profitability with long-term growth. We believe that what makes this particularly compelling for investors is not just an immediate capital influx from sales, but the longevity and sustainability of the product itself, designed to achieve consistent demand and long-term customers.

Central to the company's revenue architecture is equipment sales, anchored by the groundbreaking 2 kW Gen2 VCCT turbine. This state-of-the-art turbine offers businesses a sustainable method to harness wind energy to reduce electricity costs. The price of each turbine is $57,000. Customers also pay $8,000 in installation costs if they opt to locate the turbine in a Kanoa Winds energy park. 85% of customers are expected to locate in an e-park for $225 per month, generating recurring revenue for space rental and energy monitoring. This turnkey solution helps ensure that B2B customers receive consistent, high-quality energy solutions. Even with ongoing monthly expenses, this complete solution provides customers with a payback of 6 years or less.

Based on understanding the evolving energy needs of businesses, Kanoa Winds plans to introduce a battery storage system (BSS) tailored for B2B clients. This $75,000 BSS caters to those who need off-grid solutions or on-site critical backup energy storage, further broadening market appeal and opportunities.

This holistic approach to renewable energy, combining direct product sales with ancillary product and service offerings, establishes Kanoa Winds as a comprehensive energy solutions provider with tremendous upside potential.

Market Overview

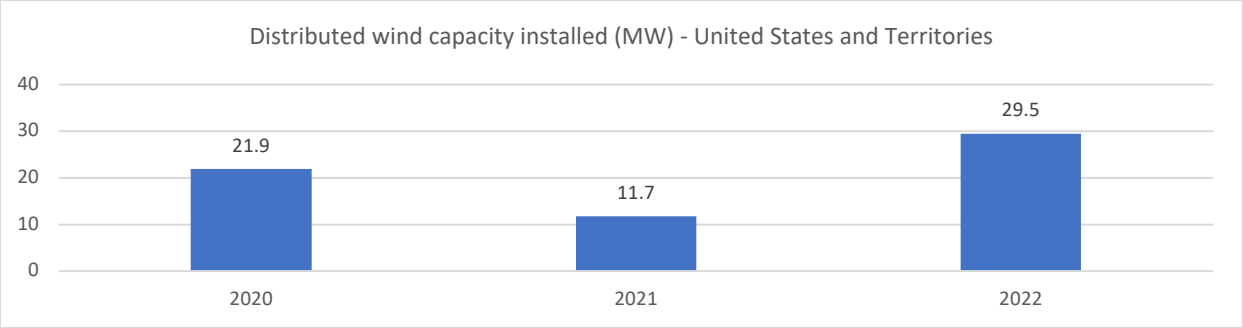
Small Wind Turbines – Distributed Wind Market

The distributed wind market includes wind systems that can range from an off-grid wind turbine producing less than 1 kilowatt (kW) to a small array of multi-megawatt wind turbines. A distributed wind project can include community wind projects and small wind projects.

Distributed wind utilizes wind turbines, off-grid or grid-connected, to offset all or a portion of the local energy consumption at homes, farms and ranches, businesses, public and industrial facilities, and other sites in a community.

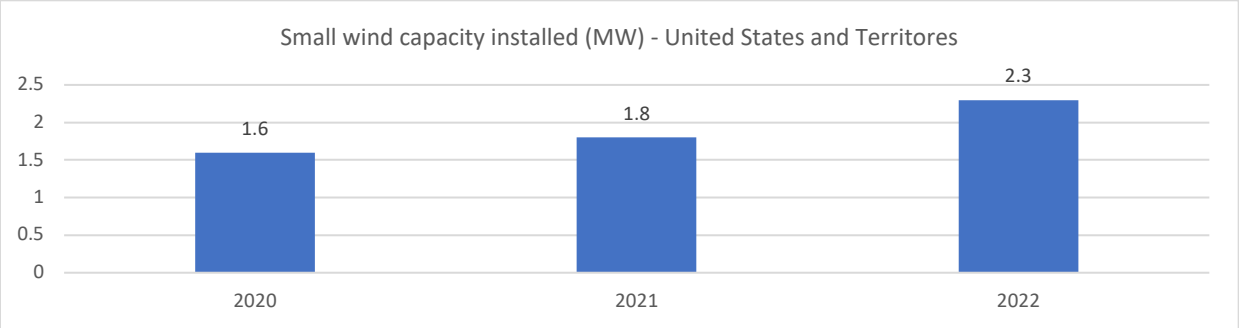
The market is nascent. Cumulative wind capacity installed from 2003 through 2022 is approximately 1,104 MW from more than 90,000 turbines across 50 states, the District of Columbia, Puerto Rico, the U.S., Virgin Islands, the Northern Mariana Islands and Guam. In 2022, 13 states added 29.5MW of new distributed wind capacity from 1,755 turbine units representing $84 million in investment.[4]

[4] US Department of Energy Distributed Wind Market Report: 2023 Edition



Of the 29.5MW installed in 2022, 27.2MW came from distributed wind projects using large-scale turbines (greater than 1MW in size). No capacity came from projects using midsize turbines (101kW to 1MW) and 2.3MW came from projects using small wind turbines (up through 100kW in size).[5]

The 2.3MW in small wind turbines deployed in 2022 represented 1,745 turbine units, or approximately $14.6 million in investment.[6]



Initial Market: Oahu, Molokai, and Maui

The *Monthly Energy Trend Highlights - September 2023* released by the Research and Economic Analysis Division of DBEDT offers a clear picture of the potential energy market within Hawaii focused on the islands of Oahu, Maui and Molokai, which aligns with and supports Kanoa Winds' initial B2B market strategy.

Commercial Electricity Markets - Initial Phase of Business Plan

	Month	Electric Meters	kWh Sold	Net Revenue	Electricity Production by Wind (and Hydro)	Year-to-Date kWh Sold	Monthly Avg. kWh Sold
Oahu	Jun-23	33,092	375,034,368	$ 0.34	-	2,185,031,468	364,171,911
Maui	Jun-23	9,872	54,054,636	$ 0.39	-	307,253,887	51,208,981
Molokai	Jun-23	529	1,392,218	$ 0.49	-	7,724,469	1,287,412
		43,493	430,481,222	$ 0.35		2,500,009,824	416,668,304

[5] Ibid.
[6] Ibid.

The commercial electricity markets for Oahu, Maui and Molokai were $961.5 million for the January – June 2023 period.

Despite the progress toward renewable energy in Hawaii has been strong in the solar category, the primary reasons for wind energy adoption on the islands are due to lack of availability of observational data in addition to a residential “not-in-my-backyard” (aka “NIMBY”) sentiment to conventional turbines driven by issues such as negative impact on wildlife and the impact of low-frequency noise on living organisms, as well as general aesthetic concerns.

We believe Kanoa Winds is well positioned to overcome these challenges due to the fact that there is much more sufficient wind speed data referencing heights between 2m and 10m, in addition to the fact that high-resolution atmospheric models have become more readily available as well as regional climate models.

Longer-term, over the next five years, we intend to expand our market presence on the islands to the islands of Hawaii, Kauai, and Lanai, and plan for a nationwide rollout.

	Month	Electric Meters	kWh Sold	Net Revenue	Electricity Production by Wind (and Hydro)	Year-to-Date kWh Sold	Monthly Avg. kWh Sold
Hawaii	Jun-23	11,090	49,995,788	$ 0.40	433,358	295,245,783	49,207,631
Kauai	Jun-23	5,172	24,121,347	$ 0.36	185,926	201,937,100	33,656,183
Lanai	Jun-23	269	2,065,954	$ 0.50	-	12,174,235	2,029,039
		16,531	76,183,089		619,284	509,357,118	84,892,853

The commercial electricity sector of the entire state of Hawaii is approximately $2.2 billion annually, and vastly underserved by wind.

Keys to Adoption and Growth

Certification

As of June 2023, only nine small wind manufacturers are certified. ANSI/ACP certification is critical to our marketing and sales efforts. Certification is important to establishing credibility in the marketplace. It is important to establishing distribution channels, which is central to our growth strategy and expansion to the mainland United States. It is a requirement to be eligible to receive the federal Business Energy ITC per the U.S. Internal Revenue Service.

Renewable Energy Mandates

The Inflation Reduction Act (IRA) of 2022 enacted long-term incentives for distributed wind that will be available for at least the next decade. The IRA extends the Residential Renewable Energy Tax Credit applicable to small wind turbines through 2034. The IRA also extends the Business Energy Investment Tax Credit (ITC) through 2024. Starting in 2025, the current technology-specific ITCs and Production Tax Credit (PTC) options will be replaced with a technology-neutral ITC and PTC that will be available to all energy generation technologies with zero or net-negative carbon emissions before beginning to phase out in 2032 or when U.S. power sector emissions have dropped by at least 75% compared with 2022 levels, whichever comes later. The extended and new tax credits have new provisions for additional, stackable bonus credits of 10 percentage points for the ITC and 10% for the PTC for locating facilities in “energy communities” or for meeting domestic content requirements. Further ITC bonuses up to 20 percentage points are available on a limited, competitive basis for wind or solar projects less than 5 MW (and from 2025 on for other clean energy) that are located in or benefit low-income communities or are located on tribal lands.

The IRA also includes direct-pay provisions for non-tax paying entities that will enable access to the credits for organizations like municipal utilities and rural electric cooperatives. The IRA also provides significant new loan and grant authority from which distributed wind could benefit. The U.S. Department of Agriculture's (USDA) Rural Energy for America Program (REAP) received a funding allocation of over $2 billion, with $303 million set aside for underutilized technologies and technical assistance. Wind is an eligible underutilized technology. The new IRA provisions for REAP also doubled the maximum allowable grant size from $500,000, or 25% of costs, to $1,000,000, or up to 50% of costs, for renewable energy projects.

The American Clean Power Association (ACP), the successor to AWEA, published its new American National Standards Institute (ANSI) consensus standard, ANSI/ACP 101-1-2021, in October 2022. The Distributed Wind Energy Association and the U.S. Department of Energy have recommended that the U.S. Internal Revenue Service recognize legacy certifications to AWEA 9.1-2009 new certifications to ANSI/ACP 101-1 going forward for small wind Business Energy ITC eligibility.

In 2014, the Hawaii Clean Energy Initiative (HCEI) set a goal to achieve 100% clean energy by 2045. In 2022, about 29% of the state's total generation came from renewables. Solar power accounted for 58% of the state's renewable electricity generation and 17% of its total generation from all sources. Hawaii has significant onshore and offshore wind resource, and wind energy (primarily utility scale) generated 20% of the state's renewable electricity and 6% of its total electricity in 2022.

The Hawaii Public Utilities Commission (PUC) has been developing its statewide microgrid services tariff (MCS) since 2018. Phase 1 of the tariff proceeding established rules for customer-owned microgrids and rules for hybrid arrangements, in which customers utilize utility-owned distribution infrastructure. Phase 2 is developing rules and compensation structures for non-emergency microgrid services to Hawaiian Electric's (HECO) distribution system. The Phase 2 scoping documents also indicated the PUC's priority of overcoming barriers to microgrids that include aggregated DER as well as privately owned multi-customer microgrids, identify sites for potential microgrid projects, and develop tariffs that might make development more attractive to developers.

Microgrids.

The US Department of Energy has set a goal that by 2035, microgrids will be the core building block of a transformed grid where 30% to 50% of electricity generation comes from distributed resources. Key challenges microgrids can help solve include resilience in increasingly hostile climate environments[7] and accelerating clean energy adoption.

Wind turbines primarily come in two design formats (horizontal axis and vertical axis) and three size classifications (utility scale, community scale, and distributed scale). Kanoa Winds will occupy a unique position in Hawaii's distributed scale classification (≤ 50 kW). While direct competition in this small-wind category (ranging from 2 kW to 50 kW for the B2B market) is virtually non-existent, the most comparable competitor is the photo-voltaic sector which primarily targets residential rooftop solar panel applications.

Kanoa Winds turbines are uniquely positioned for energy park and microgrid environments operating compact cluster formations of customer-owned 2 kW Gen2 VCCTs. These turbines operate 24/7 and primarily target commercial entities, differing significantly from solar solutions that predominantly target the residential sector and are constrained by daylight hours.

Space efficiency is another significant advantage of Kanoa Winds. For example, each 2 kW turbine occupies the footprint of just 4 solar panels but can (at an average wind speed of 20 mph) produce the

[7] In 2022, an analysis by the Associated Press concluded that outages have jumped to more than 100 times a year in the last five years- double the approximately 50 times a year in the early 2002s. The number of minutes the average electric customer experienced electricity outages grew from 227 in 2013 to 475 in 2021. A study by Climate Central found that between 2000 and 2021, weather-related events caused more than 80% of outages.

equivalent energy of 28 panels. At 30 mph wind velocity, this ratio becomes even more impressive, with one turbine matching the output of 64 panels.

Furthermore, while solar businesses primarily negotiate with residential or building owners for rooftop installations, Kanoa Winds empowers individual businesses within commercial spaces to independently purchase its energy solutions. This versatile offering also means that a clinic or law office in a commercial building can directly benefit from this wind energy solution by locating its equipment in a Kanoa Winds e-park. This flexibility contrasts sharply with solar panel companies, which usually must negotiate with building owners for rooftop installations on a per client basis.

The environmentally friendly Kanoa Winds technology is designed to seamlessly integrate with a wide range of infrastructures, from factory tops to commercial building rooftops. This adaptability not only helps cement status as a prime alternative but also positions Kanoa Winds as a superior choice for renewable energy in Hawaii.

Lastly, the turbines are constructed from steel and aluminum, meaning they aren't just durable - they're sustainable. After 20+ years, they can be recycled with ease, unlike photovoltaic panels that present more challenging and less eco-friendly recycling processes.

Expansion of Turbine Size and Application

As noted above our initial focus is to commercialize and scale our 2 kW Gen2 VCCT turbine. Our R&D plans include testing and commercializing larger turbines up to 20kW, as well as flowing offshore or water body-based platforms which will extend our selling opportunity. In addition, our technology is also capable of entirely new generative applications including micro-hydro which will enable us to deploy to river and waterway systems to produce electricity from an abundant tidal resource.

Competition

We compete with a number of established manufacturers, importers and distributors who sell wind turbine systems and related equipment. Some of these companies enjoy brand recognition in specific regions. Some of these manufacturers, importers and distributors also has strong financial, distribution, advertising and marketing resources.

The top three small wind turbine manufacturers, with respect to capacity (MW) sold in the U.S. market in 2022, were Eocycle Technologies, Inc. of Canada, Bergey WindPower of Oklahoma, and Primus Wind Power of Colorado.

There continue to be new companies entering the small wind marketplace in both horizontal and vertical-axis system designs. Many of these newer companies have yet to demonstrate field-tested, proven equipment nor achieve the critical certifications that have now become much more prevalent and necessary to effectively compete in the small wind industry.

While at least 23 different small wind turbine models have been certified to the American Wind Energy Association (AWEA) 9.1-2009 standard or the International Electrotechnical Commission (IEC) 61400 standards since 2011, a total of nine small wind turbine models have current certifications as of June 2023. Small wind turbine manufacturers must renew certifications annually. Manufacturers may opt not to renew if they no longer want to participate in the U.S. market or if the company has discontinued operations. Small wind turbines must meet either of these standards to be eligible to receive the federal Business Energy ITC per the U.S. Internal Revenue Service.[8]

[8] A certified small wind turbine's rated capacity is its power output at 11 meters per second (m/s) per the American Wind Energy Association (AWEA) Small Wind Turbine Performance and Safety Standard 9.1-2009 or the American National Standards Institute (ANSI)/American Clean Power Association (ACP) 101-1-2021 Small Wind Turbine Standard.5 For uncertified small wind turbines, the power output at 11 m/s is assigned as the turbine's rated, or referenced, capacity.

Developing successful products for the small wind market requires, amongst other things, industry knowledge and expertise, which we believe provides a significant barrier to entry. In addition, having proven, 3rd party verified and field-tested equipment is perhaps the most important factor in customer purchase decisions and an even greater barrier to entry. While numerous small wind providers have emerged more recently, very few meet this requirement of certified equipment out in the field that has been running for an extended period of time and delivery on the promised energy output. Thus, we believe there are relatively few companies that meet the necessary customer/dealer standards to currently compete in the small wind industry.

We compete primarily on the basis of quality, technology advantages, ability to timely deliver product, field-proven experience and price (on a per kWh basis).

1. Our technology delivers a significantly higher capacity factor and lower maintenance costs that will drive more favorable economics and accelerate system payback.

2. Better system efficiency (low cut-in wind speed and no-cut out wind speed) than alternative HAWT systems of our competitors.

3. Our systems are more environmentally friendly: small turbine footprint, quiet operation, avoids bird/bat strike issues, no flickering shadows and recyclable material construction.

4. A complete standalone system that doesn't require standby power.

5. Highly durable against strong wind gusts and extreme weather events.

We believe that our success will depend upon our ability to remain competitive in our product areas.

In addition to direct competition from other manufacturers of small wind turbine systems, we face indirect competition from other sources of energy, including both traditional delivery of electrical power over the grid and other sources of small renewable energy, such as small solar panel systems. Generally speaking, the strength of one technology over another in a particular instance is a function of the specific application, location, and total cost/benefit characteristics. Whatever technology solution can provide the best electrical output at the lowest cost in a particular environment will tend to be favored.

According to the DOE, since 2012, when a total of 31 small wind turbine manufacturers had reported U.S. sales in 2012, the number of small wind turbine manufacturers both operating and participating in the U.S. market has generally been on the decline. Some small wind manufacturers do not have consistent sales from year to year, some go out of business, and some—particularly foreign manufacturers—focus on other countries with policies supportive of distributed wind. Additional factors causing the market contraction include the unstable policy environment in the United States and competition from solar photovoltaic (PV) systems.[9]

Some small wind turbine manufacturers reported that pandemic-related supply chain constraints and increased costs for raw materials were still factors affecting their businesses in 2022. But with new and

[9] US Department of Energy Distributed Wind Market Report: 2023 Edition.

extended incentives in the Inflation Reduction Act (IRA) of 2022 (enacted as Public Law 117-169 on August 16, 2022) and the expanded USDA REAP (see Sections 4.1.2 and 4.1.3), small wind turbine manufacturers are expecting higher sales in 2023.[10]

Two small wind turbine manufacturers are poised to reenter the U.S. market after leaving in 2019: Northern Power Systems (NPS) and the new owner of the Skystream 3.7 turbine model. NPS shared with PNNL that the company has a new U.S. subsidiary, NPS Solutions LLC, which is owned by the Italian parent organization, NPS Srl. NPS will continue to manufacture its turbines in Italy until a sales volume can justify bringing manufacturing back to the United States. In early 2023, a holding company for DeBruce Family Companies, Wind Resource, LLC, purchased the Skystream turbine model line.[11]

The aggregated capacity and units sold reported by U.S.-based small wind turbine manufacturers and refurbished small wind suppliers stayed relatively flat from 2021 to 2022. While the capacity of imports from non-U.S. small wind turbine manufacturers increased by 144% from 2021 to 2022, the number of units decreased by about 30%. A total of 90% of the imported turbine units sold in 2021 were from manufacturers selling units 6 kW or less in nameplate capacity, but about 60% of the imported turbine units sold in 2022 were 25 kW or greater in nameplate capacity. This change can be attributed to the inconsistent presence (or reporting) of non-U.S. manufacturers in the U.S. small wind market. Two foreign small wind manufacturers reported sales in the United States in 2022 compared to four in 2021 and two in 2020.[12]

Marketing and Sales Plan

The Company's marketing strategy is a blend of demonstration and education, ensuring that potential B2B clients understand both innovative features and tangible benefits. To this end, the Kanoa Winds energy park on Oahu (followed later by e-parks on Maui and Molokai) will serve as a brand beacon and an experiential platform for prospects.

Demo Site

The first location will feature the original 0.3 kW Gen1 VCCT, boasting an impressive track record with over six years of operation at Nagoya International Airport; the advanced 5 kW Gen2 VCCT; and the newest flagship product, the 2 kW Gen2 VCCT. These turbines will be mounted atop 40-foot shipping containers, all connected to sophisticated diagnostic tools. This setup will constantly track power generation, redirecting the energy to a safe state-of-the-art 50 kWh battery storage system sourced from Japan.

This initial strategy requires land use permits, electrical schematics approved by a State-licensed electrician, proof of PL insurance and physical inspection by the Fire Department. Simultaneously, we will commence the process of ANSI/ACP certification, which is critical to wider adoption both in Hawaii and as we expand in years 3-5 to the mainland United States. We expect that the certification process will take 6-10 months and are budgeting $150,000 to move through the process.

Rollout

Each Kanoa Winds energy park is an interactive hub designed to demonstrating the technology and provide prospective customers with insights into how its technology can best meet specific energy requirements. This experiential demonstration will be supplemented by a proactive sales approach. Instead of abstract sales pitches, Kanoa Winds salespeople will guide prospective customers through real-world data, enabling them to accurately visualize and comprehend how solutions will satisfy their energy, financial and other business needs.

[10] Ibid.

[11] Ibid.

[12] Ibid.

A direct outreach sales effort to targeted companies is the primary sales program. This proactive sales approach will be complemented by a needs survey, alongside an energy reduction and payback calculator. Through these tools, customers will be able to easily understand the tangible benefits and potential cost savings they stand to gain. Prospects can visit an e-park to further cement their understanding and realization of these benefits.

The Company's salespeople will also pursue additional turbine sales to each customer based on needs identified. This ratio serves as a foundation for further potential sales. After purchasing a single unit and experiencing the tangible benefits it produces, many customers are likely to purchase multiple units, especially for businesses with higher monthly electricity requirements, such as supermarkets, medical clinics, hotels, etc.

As noted above, during the initial three years of operations, the primary objective revolves around executing and refining the business plan which encompasses the marketing, sale, installation, and maintenance of turbine equipment at dedicated energy parks in Oahu, Maui, and Molokai with plans to expand to the 'Big' Island (Hawaii), Kauai and Lanai as soon as practicable. Management intends to achieve and fortify a leadership position in these regions. In years 3-5, the company plans to expand its offerings to the mainland U.S. This phased expansion supports the maintenance of quality control while effectively scaling operations.

Our expansion strategy is flexible, including the potential utilization of sub-licensing arrangements or direct market entry, leveraging the successful model of the e-parks in suitable regions.

While the 2 kW Gen2 VCCT unit offers an unparalleled value proposition for many B2B clients, Kanoa Winds will continually seek to develop systems capable of higher power generation while maintaining all the intrinsic technology benefits. This aspiration extends to conceptualizing a mini-power plant for community scale turbines best suited for rural area where energy can be sold to the local utility via a PPA (power purchase agreements) or utilize a standardized Feed-in-Tariff (FIT) program. Community scale wind turbines can also be used to power industrial/agricultural process such as water pumping and refrigeration. The road ahead is ambitious yet promising, illustrating a commitment to growth, longevity, measurable and significant sustainability, and industry leadership.

Intellectual Property

We have licensed the rights exclusively in the United States market to US 8,198,747 B2 patent and US application number 18/271,005. In addition, we own the Kanoa Winds trademark (certificate number 4269). We will also apply for copyright protection in other jurisdictions where appropriate. We also may elect to avoid filing for patent protection on other aspects of our systems because of difficulty protecting the patent or disclosure of proprietary information that would result from the patent process, which is determined to be better remaining as trade secrets. There can be no assurance that we will receive any additional patents in the United States or elsewhere. Further, there can be no assurance that the patents we currently hold or future potential patents will be enforceable.

We will continue to obtain confidentiality agreements where necessary from our various suppliers. We will also seek confidentiality agreements with any consultants that we use.

We intend to assert our rights under trade secret, unfair competition, trademark and copyright laws to protect our intellectual property, including product design, proprietary manufacturing processes and technologies, product research and concepts and recognized trademarks. These rights will be protected through the acquisition of patents and trademark registrations, the maintenance of trade secrets, the development of trade dress, and, where appropriate, litigation against those who are, in our opinion, infringing these rights.

While there can be no assurance that patents, copyrights, registered trademarks, or other measures will protect our proprietary information, subject to our financial, legal and business constraints, we intend to assert our intellectual property rights against infringers.

We estimate we will spend approximately $25,000 on legal and filing fees in the next twelve months and on intellectual property protection regarding the designs for our small wind turbine systems and related equipment.

Our Team

Dr. Kaname Takeya - Founder & CEO

Dr. Takeya earned his Ph.D. from Tohoku National University in Engineering and has over 35 years of extensive experience in research, manufacturing, and business planning of advanced materials across various industries. His notable accomplishments include a 15-year tenure at Sumitomo Metal Mining Co., Ltd. in Japan, where he served in a pivotal role in developing rare-earth magnetic powders for the world's highest energy permanent magnet used in MRI medical devices. He also contributed to the development of nickel hydroxide for Ni-MH batteries used in hybrid electric vehicles (HEV), as well as cathode materials with the world's highest capacity for lithium-ion batteries, which were primarily utilized by industry giants such as Panasonic, Toyota, and Tesla.

Dr. Takeya also has a proven track record of establishing research centers, including the Niihama Research Laboratories for Sumitomo Metal Mining, and leading teams to develop innovative solutions. During his time at Quallion, a U.S.-based implantable medical battery company from 2000 to 2004, he led a team of engineers and scientists and successfully established a pilot line for implantable medical batteries, while also developing aerospace batteries. Additionally, he has contributed expertise as a special term appointee at the Energy System Division of Argonne National Laboratory in the US Department of Energy (DOE) between 2010 and 2012. As founder and CEO of Kanoa Winds Inc., Dr. Takeya's visionary leadership and expertise will help drive the company's success in the field of small wind power generation.

Christopher Craney - COO

Christopher Craney is a long-term resident of Hawaii and a graduate of University of Hawaii at Manoa with a degree in Geology and Geophysics, with a focus on geothermal renewable energy. He brings extensive international experience, having worked professionally in Tokyo, Japan, and Seoul, Korea. In Seoul, he currently serves on the Board of Directors of a bioscience entity focused on encapsulated stem cell therapy for liver disease, and in Japan, he serves on the Board of Directors in an IoT/AI medical device entity focused on volatile organic compounds research for early disease detection.

Prior to his current Board positions, Chris held management positions at publicly listed firms in Japan including Tomoku Co., Ltd., and was the Founder and CEO of Colorzip Japan Co., Ltd. Chris is dedicated to coordinating the successful market entry of VCCT turbines on Oahu, Maui, and Molokai. As the COO of Kanoa Winds, his business network in Hawaii, diverse team management skills, and commitment to sustainable energy solutions make him an asset to the team.

Pro Forma Financial Forecast[13]

	2024	2025	2026	2027	2028
Total Revenue	$ 761,000	$ 5,431,781	$ 9,777,206	$ 26,072,550	$ 35,694,563
Total Direct Costs	510,905	3,673,627	6,612,528	17,633,409	24,140,977
Gross Margin	250,095	1,758,154	3,164,678	8,439,141	11,553,586
Total Operating Expenses	1,759,082	3,454,334	3,044,472	3,721,478	3,892,412
Operating Income (Loss)	(1,508,987)	(1,696,180)	120,206	4,717,663	7,661,174
Total Other Income	10,297	(129,953)	(107,035)	(67,635)	(11,869)
Income Taxes	-	-	26,871	1,594,947	2,603,539
Net Income (Loss)	(1,498,690)	(1,826,133)	(13,701)	3,055,080	5,045,765
EBITDA (Loss)	$ (1,508,987)	$ (1,696,180)	$ 120,206	$ 4,717,663	$ 7,661,174
%	-198%	-31%	1%	18%	21%
Total Current Assets	$ 856,271	$ 1,289,434	$ 1,042,086	$ 4,497,299	$ 9,524,070
Fixed Assets, Net	-	-	-	-	-
Total Other Assets	-	-	-	-	-
Total Assets	856,271	1,289,434	1,042,086	4,497,299	9,524,070
Total Current Liabilities	104,961	743,337	1,024,533	1,982,240	2,011,748
Total Long Term Liabilities	-	1,120,919	606,077	48,502	-
Total Equity	751,310	(574,823)	(588,524)	2,466,557	7,512,322
Total Liabilities and Equity	$ 856,271	$ 1,289,434	$ 1,042,086	$ 4,497,299	$ 9,524,070
Total Cash From (For) Operating Activities	$ (1,704,116)	$ (2,219,868)	$ (493,030)	$ 1,257,597	$ 3,984,394
Total Cash From (For) Investing Activities	-	-	-	-	-
Total Cash From (For) Financing Activities	2,250,000	2,058,121	(478,555)	(518,275)	(561,291)
Net Increase (Decrease) In Cash	545,884	(161,747)	(971,585)	739,322	3,423,103
Cash and Cash Equivalents-End	$ 545,884	$ 384,137	$ (587,448)	$ 151,874	$ 3,574,976

[13] Important Note: These projections assume, amongst other things, the timey completion of the maximum offering contemplated herein. Failure to do so will result in a material adverse impact to these projections.

Disclaimer

This is Not an Offer to Purchase or Sell Securities. This overview is for informational purposes and is not an offer to sell or a solicitation of an offer to buy any securities in the Company and may not be relied upon in connection with the purchase or sale of any security. Securities of the Company if offered, will only be available to parties who are “accredited investors” (as defined in Rule 501 promulgated pursuant to the Securities Act of 1933, as amended) and who are interested in investing in the Company on their own behalf. Any offering or solicitation will be made only to qualified prospective investors pursuant to a confidential offering memorandum, and the subscription documents, all of which should be read in their entirety.

To obtain further information, you must complete our investor questionnaire and meet the suitability standards required by law.

Cautionary Note Regarding Forward-Looking Statements/Pursuant to the U.S. Private Securities Litigation Reform Act of 1995

This investment brief contains, and our officers and representatives may from time to time make, "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "goal," "seek," "believe," "project," "estimate," "expect," "strategy," "future," "likely," "may," "should," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding launch of products, sales, markets, marketing strategies, our estimates on future financial performance, revenue growth and earnings, anticipated levels of capital expenditures and our belief that offering proceeds will provide sufficient liquidity to fund our business operations over the next 36 months.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following:

RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the risks described below as well as the other information included in this disclosure document, including “Cautionary Note Regarding Forward-Looking Statements,” before making an investment decision. Our business, prospects, financial condition, or operating results could be harmed by any of these risks, as well as other risks not currently known to us or that we currently consider immaterial. The trading price of our securities could decline due to any of these risks, and, as a result, you may lose all or part of your investment.

Risks Related to Our Business

- *New Product Development*
- *Commercial Acceptance*
- *Developing Business Risks*

- *Sales Channels and Support*
- *Marketing and Sales*
- *Physical, Market and Economic Risks from Effects of Climate Change*
- *Company is not at Production Scale Stage*
- *Market Risk*
- *Growth Management*
- *Technological Change*
- *Response to Market Conditions and Change in Customer Preferences*
- *Retention of Key Employees Risk*
- *Supplier Reliance*
- *Product Liability Risk*
- *Product Recall Risk*
- *Insufficient Warranty Reserves*
- *Supplier Ethics Risk*
- *Competition*
- *Fluctuation of Conventional Energy Prices*
- *Intellectual Property*
- *If we are not granted full protection for property rights over our name and trademark, we may have difficulty safeguarding our name or the public's identification of our brand resulting in a potential loss of any competitive advantage.*
- *Regulation*
- *Changes in Government Incentives*
- *Inability in Obtaining Grants*
- *Risks Beyond Company's Control*

Risks Related to Owned and Operated Projects – Which The Company May in the Future Undertake

- *Meteorological Conditions for Electric Energy Generation*

Risks Related to the Offering

- *Possible Loss of Investment*
- *No Dividend*
- *Dilution*

Risks Applicable to a Dual Class Common Stock Structure

- *Kanoa Winds has a Dual Class Common Stock Structure*

Note: In addition to the above risks, businesses are often subject to risks not foreseen or fully appreciated by management. In reviewing this Disclosure Document, potential investors should keep in mind other possible risks that could be important.

For More Information:

Deal Box

Thomas Carter
Email: thomas@dealbox.io

Company

Chris Craney
Email: craney@kanoawinds.com