



To: Hawai'i Technology Development Corporation Board of Directors
From: Sandi Kanemori, Acting Executive Director
Date: April 24, 2025
Subject: Hawai'i Manufacturing Assistance Program (MAP) Award Allocations

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SPECIFIC ACTION REQUESTED:

Request Motion to Approve Hawai'i Manufacturing Assistance Program (MAP) Awards as recommended by the MAP review committee.

RECOMMENDED EFFECTIVE DATE:

Upon Approval

BACKGROUND:

Description

The Manufacturing Assistance Program (MAP) provides grants to businesses in Hawai'i that are manufacturers in the State and require assistance for specific activities related to manufacturing that shall result in economic and employment growth in Hawai'i.

The funding preferences and priorities are stated briefly below with the program objectives.

- Encourage more manufacturers statewide by giving preference to:
 - businesses receiving their first MAP-award
 - businesses located on the neighbor island
- Give preference to applications that:
 - communicate economic significance of the project
 - highlight how funds will be used to achieve success
 - align with strategic focus areas of the Hawai'i Technology Development Corporation (HTDC) and the Department of Business, Economic Development, and Tourism (DBEDT)
 - demonstrate potential for job creation in Hawai'i

The goal of the program is to help companies grow and create sustained manufacturing jobs in the state of Hawai'i.

MAP Award Allocation Process

As presented to the HTDC Board of Directors on February 9, 2023, HTDC makes grant awards through a competitive application process described in the MAP grant award allocation policy statement. MAP is a reimbursable grant and requires proof of payment to qualify for an award. Awards are allocated strategically instead of equally amongst eligible applicants.



The MAP review committee met from late January to late March to assess all eligible applications. The committee reviewed and scored each application. Applicants were systematically ranked and grouped into tiers, after which the committee made recommendations for award distribution. This process was conducted with careful consideration of the available budget, evaluation scores, and requested funding amounts. The highest-ranked tier received the largest percentage of their eligible amount. In alignment with established policy, applicants who achieved a score below 50% were not selected for funding.

Summary of Recommendations

The MAP Review Committee offers the following award recommendations for the FY25 Manufacturing Assistance Program.

FY25 MAP Award Recommendations

** First-time MAP Awardees*

	Applicant	Total Qualified Expenses	Grant Requested	Committee Recommendation
*	Kia LLC dba Maui Nui Venison	\$371,311.24	\$74,262.25	\$59,410.00
	Pacific Shipyards International, LLC	\$804,410.00	\$100,000.00	\$80,000.00
	Oceanit Laboratories, Inc.	\$23,395.00	\$4,679.00	\$3,280.00
*	Holo Holo Charters, Inc.	\$542,000.00	\$100,000.00	\$70,000.00
*	50th State Poultry, Inc.	\$147,093.83	\$29,418.77	\$20,600.00
*	Lanakila Pacific	\$106,530.03	\$21,306.01	\$14,920.00
	The Art Source, Inc. dba Pictures Plus	\$563,117.00	\$100,000.00	\$70,000.00
*	Hawaiian Host Honolulu LLC	\$1,149,046.86	\$100,000.00	\$70,000.00
*	North Star Scientific Corporation	\$327,535.58	\$65,507.12	\$45,860.00
*	Min Plastics & Supply, Inc.	\$400,781.28	\$80,156.26	\$56,110.00
	Kauai Fine Woodworking LLC	\$138,443.98	\$27,688.80	\$19,390.00
	Hawaiian Sun Products, Inc.	\$718,867.60	\$100,000.00	\$70,000.00
*	Fresh Island Fish Co Inc	\$423,000.00	\$84,600.00	\$59,220.00
	PacMar Technologies LLC	\$62,385.32	\$12,477.06	\$8,740.00
*	Kona Earth, LLC	\$38,789.00	\$7,757.80	\$5,440.00
	Ba-Le Inc. dba La Tour Bakehouse	\$234,192.00	\$46,838.40	\$32,790.00
	FCH Enterprises Inc.	\$72,444.88	\$14,488.98	\$10,150.00
	Pacific Allied Products Ltd.	\$2,825,032.04	\$100,000.00	\$70,000.00



* First-time MAP Awardees

	Applicant	Total Qualified Expenses	Grant Requested	Committee Recommendation
*	Malama Kaua'i	\$64,099.26	\$12,819.85	\$8,980.00
*	Taleea Carvalho dba Wailua Granola Co. LLC	\$7,991.46	\$1,598.29	\$1,500.00
*	Best Day Yet LLC	\$150,344.55	\$30,068.91	\$21,050.00
	Pawniolo Pets LLC	\$37,248.37	\$7,449.67	\$4,470.00
*	Sundog Bread LLC	\$106,689.57	\$21,337.91	\$12,810.00
*	Stanford S Carr dba SCD RMA, LLC	\$55,203.65	\$11,040.73	\$6,630.00
*	Jean Mckeague dba Let's Go Pesto LLC	\$10,162.24	\$2,032.45	\$1,500.00
	The Patisserie Inc.	\$438,854.54	\$87,770.91	\$52,670.00
*	Cupcakes, BOOM! LLC	\$22,410.70	\$4,482.14	\$2,690.00
	Okuhara Foods Inc.	\$24,175.55	\$4,835.11	\$2,910.00
	IL Gelato LLC dba IL Gelato Hawaii	\$90,154.20	\$18,030.84	\$10,820.00
	Simonpietri Enterprises LLC	\$325,439.55	\$65,087.91	\$39,060.00
	KYD, Inc.	\$170,078.44	\$34,015.69	\$20,410.00
*	E-Opala Corporation	\$148,419.00	\$29,683.80	\$17,820.00
	Maui Beverage Company LLC dba Pauwela Beverage Company	\$32,913.75	\$6,582.75	\$3,950.00
	Symbrosia Inc	\$389,949.61	\$77,989.92	\$26,820.00
	Meadow Gold Dairies Hawai'i	\$501,040.87	\$100,000.00	\$0.00
	MXCAL LLC (dba Raiz Tortillas)	\$25,509.97	\$5,101.99	\$0.00
	Honolulu Beerworks LLC	\$715,576.03	\$100,000.00	\$0.00
	Advanced Silicon Carbide Materials, LLC	\$26,614.00	\$5,322.80	\$0.00
	Cymz_Sweet_Kre8tionz LLC	\$9,059.85	\$1,811.97	\$0.00
*	Sunrise Shack Corporation	\$10,100.00	\$2,020.00	\$0.00
*	D-Net Dental Laboratory, Inc.	\$42,200.68	\$8,440.14	\$0.00
	Samurai, Inc.	\$75,850.30	\$15,170.06	\$0.00
	Normal Corporation	\$14,449.00	\$2,889.80	\$0.00
*	Pacific Rose Creamery LLC	\$25,087.73	\$5,017.55	\$0.00



Total Applications Received	59
Total Applications Awarded	34
Total First-time Applicants Awarded	17
Total Company Investment	\$12.4MM
Total Grants Requested	\$1.7MM
Total Grants Awarded	\$1.0MM

ACTION RECOMMENDED:

Approve



To: Hawai'i Technology Development Corporation Board of Directors
From: Sandi Kanemori, Acting Executive Director
Date: April 24, 2025
Subject: Hawai'i Small Business Innovation Research (HSBIR) Award Allocation

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SPECIFIC ACTION REQUESTED:

Request Motion to Approve Hawai'i Small Business Innovation Research (HSBIR) Award Allocation

RECOMMENDED EFFECTIVE DATE:

Upon Approval

Program Performance

The HSBIR matching grant program is Hawai'i Technology Development Corporation's (HTDC) most successful program. Over the life of the program, over 20 federal dollars come into the state per each state dollar. Since implementing the Phase II matching grant, the number of awards and dollars awarded have increased significantly.

A summary of the Phase II/III awards made by the matching grant program is listed below:

	FY18	FY19	FY20	FY21/22	FY23	FY24	FY25*
Appropriation	\$1 M	\$1.5 MM	\$1M	-	\$1.5M	\$2M	\$1M
# of Applications	9	12	16	-	16	20	11
# of Awards	5	6	14	-	11	18	8
\$\$ Awarded	\$900 K	\$1.4 M	\$900K	-	\$1.5M	\$2M	\$1M
Federal SBIR \$\$ (match)	\$8.0 M	\$11.0 M	\$53.0 M	-	\$20.6M	\$24.8M	\$7.7
Estimated New Jobs	15	135	509	-	289	208	

*Proposed awards

The federal SBIR funds are highly competitive with a fixed budget each year. Therefore, the industry is securing federal funds for Hawai'i that would otherwise be awarded to companies in other states. Every year, there have been more qualified applicants for HTDC matching grants than available funds. Since the Phase II/III program started in FY16, none of the applicants have received the full eligible amount.

HSBIR Review Committee

Observer - Dane Wicker, Deputy Director, Department of Business, Economic Development and Tourism (DBEDT)

Gloria Choo, Regional Engagement Principal, Hawai'i, Defense Innovation Unit

Greg Uehara, Consultant, Alert Core, HTDC Board Member

John Greene, Deputy Director, Military and Community Relations Office, DBEDT

Kym Sparlin, Department of Community Services, City & County of Honolulu

Wayne Layugan, Senior Project Manager, Innovate Hawai'i (IH), HTDC

Award Process Review

HTDC makes grant awards through a competitive application process. This year, the HSBIR Review Committee met over several days for over ten (10) hours to evaluate the SBIR company applications and presentations. Per the Board approved policy, the committee scored each company.

New for this year, the score card included points for DBEDT/Hawaii topic-focused projects. Those topics are Defense/Dual Use, AgTech, Aerospace, Renewable Energy, and Hawai'i-specific challenges.

Not all committee members could attend each meeting, if they missed the online presentations, they scored the company on their application, recorded presentation, and slide deck.

The companies were ranked and the committee made recommendations on the award distribution to the companies. The award distribution considers the number of companies, request amounts, scores, and grant funds available. As per the policy, companies with an average score of below 75 would be ineligible for the matching grant.

Summary of Recommendations

The Hawaii SBIR/STTR Review Committee offers the following award recommendations for the FY25 HSBIR Phase 0, I, II, and III matching grant program. There were three (3) qualified applications for Phase 0, ten (10) Phase I applications, ten (10) Phase II applications, and one (1) Phase III application for the matching grant.

FY25 Phase 0/I HSBIR Budget (Year ending June 30, 2025):	\$500,000
Proposed award amount:	\$499,995

PHASE 0 Company Awards:

- Jumpstart AI LLC, National Science Foundation (NSF) Phase I application, \$3,000
- Limu Labs LLC, dba Okonokai, US Department of Agriculture (USDA), \$275
- Hawai'i Innovation Inc., US Air Force (USAF) Phase I Application, \$3,000

PHASE I Company Awards

Company	FED AGENCY	GRANT \$	REQ \$	Award \$
Ocean Era, Inc.	USDA	\$175,000	\$75,000	\$61,715
KaiTech LLC*	NSF	\$275,000	\$75,000	\$61,715
PacMarTechnologies LLC	NAVSEA	\$146,397	\$73,198	\$61,715
Makai Ocean Engineering, Inc.	NAVY	\$139,630	\$69,786	\$61,715
HNu Photonics LLC	US Space Force	\$179,999	\$75,000	\$61,715
Nalu Scientific, LLC	NASA	\$156,000	\$75,000	\$61,715
Tridentis	NOAA	\$174,738	\$75,000	\$61,715
Oceanit Laboratories, Inc.	USDA	\$175,000	\$75,000	\$61,715

**First time HSBIR companies*

Phase I Companies with average score below 75

Company	FED AGENCY	GRANT \$	REQ \$	Award \$
Hawai'i Innovation Laboratory	NIH/CDC/NIOSH	\$243,500	\$75,000	\$0
Hawai'i Innovations & Technologies*	USDA/NIFA	\$124,470	\$62,000	\$0

FY25 Phase II/III HSBIR Budget (Year ending June 30, 2025):
Proposed award amount:

\$1,000,000
\$1,000,000

PHASE II Company Awards

Company	FED AGENCY	GRANT \$	REQ \$	Award \$
H Nu Photonics LLC	DARPA	\$249,956	\$120,000	\$46,400
Simonpietri Enterprises LLC	DoEnergy	\$1,150,000	\$500,000	\$194,600
North Star Scientific*	NAVAIR	\$749,994	\$374,997	\$145,800
Pacific Hybreed	USDA/NIFA	\$650,000	\$325,000	\$126,400
PacMar Technologies LLC	NAVSEA	\$1,218,895	\$500,000	\$140,000
Oceanit Laboratories Inc.	ARPA-E	\$1,857,360	\$185,736	\$52,000
Nalu Scientific, LLC	DoEnergy	\$1,049,888	\$500,000	\$140,000

**First time HSBIR companies*

Phase II Companies with average score below 75

Company	FED	GRANT \$	REQ \$	Award \$
Kapalya Inc.	NSF	\$994,413	\$497,206	\$0.00
Rhea Space Activity	DOD AF	\$3,399,956	\$500,000	\$0.00
Interstel Technologies, Inc.	NASA	\$108,000	\$54,000	\$0.00

PHASE III Company Awards

Company	FED AGENCY	CONTRACT \$	REQ \$	Award \$
Makai Ocean Engineering	Navy	\$797,100	\$398,007	\$154,800

ACTION RECOMMENDED:
Approve

ADDITIONAL BACKGROUND INFORMATION

Description

The Small Business Administration (SBA) Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs provide over \$4 billion in funding to small businesses each year in a wide variety of technology areas.

Since 1988, HTDC has been providing matching grant funds and wrap-around technical assistance services to Hawaii companies who received SBIR Grants. Initially the grant program only funded companies that received Phase I awards. In 2016, the program was expanded to match SBIR Phase II and Phase III awards.

The purpose of the matching grant program is to increase the competitiveness of small businesses in Hawaii and to enhance their prospects for bringing subsequent SBIR and STTR awards of federal funds into the State, including awards that assist the businesses in surpassing the research and development level and transforming their research into innovative and commercial products and services. The goal of the program is to help companies grow and create sustained engineering and research jobs in the state of Hawai'i.

To: Hawaii'i Technology Development Corporation Board of Directors
From: Sandi Kanemori. Acting Executive Director
Date: April xx, 2025
Subject: Hawaii Technology Development Corporation Report

SPECIFIC ACTION REQUESTED:

Information only. No action requested.

PROGRAM UPDATES**A. Accelerator and Small Business Training Program**

1. The Accelerator and Small Business Training Program solicitation (RFP-25-002-HTDC) has been awarded this month to the following seven (7) Accelerators and Small Business Training Programs. The evaluation committee reviewed a total of 15 applications (7 first time) for worthiness, with a total request of \$2,606,602.

The purpose of this solicitation is to continue the State's support for local accelerators and small business training programs as a catalyst for economic development and to develop new companies within industry sectors that are aligned with priority areas. These programs can provide mentorship, network, business technical assistance, exposure to potential customers, marketing support, and access to capital. This year's priority area include: AgTech, Dual Use, Consumer Packaged Goods (CPG), and other potential proposed areas that are developing solutions for large scale problems in our local community by using tech and innovation. Additionally, priority consideration were offered to organizations who were first time applicants, neighbor island based (other than Oahu), and/or aligned with an HTDC program industry initiative.

The total awards were made as follows:

Mana Up Labs, LLC Program Name: ManaUp Focus Area: CPG companies	\$277,777.00
Maui Economic Development Board, Inc. (MEDB) – Maui Program Name: Business Space Focus Area: Space Industry Startups	\$222,222.00
Blue Startups Program Name: Blue Startups	\$222,222.00



Focus Area: Saleable tech, travel tech, SAAS/gaming, sustainability	
Purple Mai`a Foundation Program Name: Hawai`i FoundHer (Hawaii island) Focus Area: Women-owned, Pacific-islander, Hawaii Island businesses	\$111,111.00
*Kuleana Coworking Corporation – Kauai Program Name: Kuelana AI Lab Focus Area: Agriculture and CPG companies	\$55,556.00
XLR8HI, LLC Program Name: Pre-X Focus Area: Small business, various	\$55,556.00
*Pacific International Center for High Technology Research (PICHTR) Program Name: Dual Use Tech Incubator Focus Area: Dual Use Companies	\$55,556.00
TOTAL	\$1,000,000.00

*First time Applicants – 2

In total, the State will be subsidizing 22% of the operational cost to run these programs.

B. Hawai`i Small Business Capital Program (HI-CAP)

1. In March, we received the 1st tranche of our \$1.6 million grant from the State Small Business Credit Initiative (SSBCI) Small Business Opportunity Program (SBOP). We will be working with Hawaii Chambers of Commerce to implement this new Technical Assistance Program.

C. Fiscal Year 2025 Legislative Session – Update

1. HB454 HD2 SD1 – Relating to the Hawaii Technology Development Corporation – Establishes state goals related to economic diversification. Appropriates funds to Hawaii Technology and Development Corporation to meet those goals. Requires the Hawaii Technology Development Corporation to submit annual reports over three years to the legislature. Effective 7/1/2050 | HTDC: \$_____each in FY26 and FY27 for SBIR, MAP, and Accelerator (SD1) Potentially \$2M each.



2. HB448 HD1 SD1 – Relating to Technology Enablement – Appropriates funds to the Hawaii Technology Development Corporation to assist small businesses, including those related to the tourism sector, with technology enablement, Effective 7/1/2050 | HTDC: \$_____ each in FY26 and FY27 to assist small businesses with technology enablement (SD1). Committee reports notes \$250,000
3. SB989 SD1 HD1 – Relating to Economic Development – Appropriates funds to the Hawaii Technology Development Corporation to assist small businesses with technology enablement and develop project management software to simplify the facilitated application process for small businesses. Requires a report to the Legislature. Effective 7/1/3000. | HTDC: \$_____ each in FY26 and FY27 to assist small businesses with technology enablement (HD1) Committee report notes \$600,000
4. HB300 HD1 SD1 – Relating to the State Budget – Appropriates funds for the operating and capital improvement budge of the Executive Branch for fiscal years 2025-2026 and 2026-2027. Effective 7/1/2050.

Investment Memorandum

To: HTDC Board of Directors
From: Sandi Kanemori, Acting Executive Director; Tuan La, Hi-CAP Program Manager
Date: April 25, 2025
Subject: Builders Hawai'i Fund I, LP (Builders Hawai'i Fund)(BHF)

Recommended Action: *RECOMMEND APPROVAL* of **Builders Hawai'i Fund** ("BHF" or the "Hawai'i Fund") for investment of \$5 million in the \$10 million Hawai'i-only Fund, subject to terms and conditions that meet State Small Business Credit Initiative (SSBCI) and statutory requirements.

SSBCI requires raising matching \$5 million investment to the Fund from private-sector sources and requires the Fund to invest a minimum of \$10 million (including SSBCI fund) into Hawai'i-based companies.

BHF's strategy is to focus on technologies that can transform the physical economy to create high impact for existing antiquated industries. BHF's focus include technology companies headquartered in Hawai'i or willing to be Hawai'i-based following investment, with potential to scale globally. The markets that BHF is pursuing includes the health, ag tech, real assets, industrial (advanced manufacturing, resilience, cybersecurity, and government) industries. The manager of the Fund will be Builders Hawai'i GP I, LLC (the "GP").

The recommendation for \$5 million is based on the following:

Rationale:

1. **Strong Reputation and Strategic Commitments from Builders VC, General Partner, and Kamehameha School (KS):** Since its formation in 2016, Builders has completed two funds to date and is currently raising its \$400 million Builders Fund III. The Builders team has a collective 60+ years of VC experience and has spent significant time investing at premier venture funds including Khosla Ventures, Formation 8, and NEA. Having collectively backed over 125 founders / CEOs, the team has established exclusive relationships with key tech leaders, expansive network of entrepreneurs, industry experts, top research labs, and strategic LPs, and access to proprietary deal flow. Builders has been recognized for their work in building stronger tech and entrepreneur economies (2025 Hawai'i Venture Capital Association Investor of the Year) and globally (Alberta, Canada 2023 Investor of
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the Year). Builders has been very committed to Hawai'i including establishing a local Hawai'i office, local team, and has already invested into 2 Hawai'i companies. Now with support from strategic investors like KS and HTDC, Builders believes there is opportunity to build great companies in Hawai'i with potential for strong job creation and revenue growth that will fuel follow-on investments. Thus, as further commitment to Hawai'i and to further foster Hawai'i's tech startups, Builders is establishing its first Hawai'i only fund.

The Builders Hawai'i Fund will be led by two key General Partners: Jim Kim, a seasoned venture capitalist with a deep personal commitment to Hawai'i, demonstrated through his business investments in Oahu over a decade ago and volunteer work with local startups through Blue Startups; and Johnny Chankhamany, a Hawai'i native dedicated to empowering local talent and businesses, with a strong track record of community development through his work with organizations such as AKAMAI Foundation and Hoomaka Foundation. The GPs have outstanding reputations, but most importantly are very committed to supporting the local community/startup ecosystem.

2. **High Strategic Alignment and Active Participation:** BHF's investment strategy is to identify high potential Hawai'i-based founders and technologies solving problems faced by Hawai'i organizations and their global peers. Company building, founder development, and technical expertise will be supported by Builders. The Hawai'i Fund will leverage KS resources and local partners to support the local go-to-market strategy critical in product development and customer acquisition. Startups achieving growth metrics in the local market will be supported in follow-on financing by the Hawai'i Fund, be in consideration for investment by Builders Fund III or subsequent Builders funds when applicable and be introduced to Builders' network of investors. Specifically, BHF will focus on technology companies headquartered in Hawaii or willing to be Hawai'i-based following investment, with potential to scale globally. The markets the firm is pursuing includes the health, ag tech, real assets, industrial (advanced manufacturing, resilience, cybersecurity, and government) industries. These markets are attractive due to the high concentration of companies in Hawai'i that would potentially be customers of startups targeted for investment, and the potential to scale said startups targeting these markets beyond Hawai'i. To keep companies in Hawai'i, the Hawai'i Fund will prioritize funding for startups willing to keep a portion of their operations in Hawai'i for the duration of the investment period. Builders has invested in Hawai'i-based companies
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and has helped startups from abroad to relocate and operate in Hawai'i, creating new opportunities for Hawai'i residents.

In addition, Builders will allow KS and HTDC to be active limited partners with representation on the Hawai'i Fund's Strategy Committee, Investment Committee, and Fund Venture Team. This is a unique governing model offered by Builders as it allows HTDC to have a vote and voice in the decision-making process of operating the fund including but not limited to strategic direction and investment funding. This is not typically offered by venture capital funds. Hence this unique opportunity will allow HTDC to truly ensure that our priorities and interest are being properly executed.

3. **Economic Development Impact:** Builder's Hawai'i investments has led to the creation of over 100 jobs. However, Builders recognizes that substantial investment of capital, resources, and time in community is required to grow a thriving entrepreneurial ecosystem. Builders has spent hundreds of thousands in Hawai'i, excluding salaries, to promote entrepreneurship and support community initiatives. Founders and experts from abroad have been paid to travel to Hawai'i to participate in development workshops for the local community. Tens of thousands of dollars in donations from Builder GPs and the Builders network immediately went to Lahaina wildfire victims, Builders offered to pay for \$250K in playground equipment and organized an event with GPs and portfolio company CEOs to volunteer in Lahaina. Blue Startups and their portfolio companies are hosted in the Builders San Francisco headquarters for one week each year as the base of operations while the Blue Startups companies prepare for their annual SF Demo Day. Builders co-founded and directly sponsors ThriveHI, a Hawai'i-based non-profit organization building Hawai'i's tech and startup ecosystems. Builders has also created Hawai'i internship program to support Hawai'i students.

With the Hawai'i Fund, 100% of investment will be going to Hawai'i entrepreneurs. BHF anticipate investments in ~20 Hawai'i-based companies employing upwards of 50 full time employees (FTEs) in aggregate. Looking past 2025 and beyond Hawai'i Fund I, Builders' goals include scaling local companies abroad, helping portfolio companies raise subsequent financing rounds, raising Hawai'i Fund II with more local investment and enterprise partners, all of which help expand and diversify Hawai'i's economy and increase economic opportunities for Hawai'i residents

MOTION to authorize HTDC Acting Executive Director and/or Hi-CAP program manager to finalize terms and conditions and execute the \$5 million capital commitment to the Fund, subject to approval of documents by Special Deputy AG and AG Office.

**Builders VC
Background:**

Builders VC “**Builders**” was formed in 2016 with the mission to generate top returns by modernizing trillion-dollar traditional industries. Builders believes that Venture Capitalist have an important role to play in erasing the heavy tech debt found in legacy industries like agriculture, health, real assets, and industrials. These critical industries urgently need to address years of technical debt, and how to thrive in a climate of rising global competition, deglobalization, and a graying population. Their “unsexy” thesis has long been overlooked by other Series A investors. Now, as deglobalization becomes the dominant trend for the next decade, Builders’ strategy is to focus on transforming the physical economy with technology that matters or will highly impact existing antiquated industries.

Builder is a global investor and operates in multiple markets across the globe, including Asia-Pacific, Europe, North and South America, Middle East, and Africa. These markets are further segmented into various industries, including:

- **Agriculture:** Plant and protein agriculture, addressing pain points such as margin compression, labor shortages, and limited access to capital.
- **Digital Health:** Mitigating increasing treatment costs with technology, including novel solutions for delivery care models, drug discovery, and payment models.
- **Industrial Technology:** Driving Industry 4.0 for legacy operators, addressing technology deficits, supply chain inefficiencies, and commodity price increases.
- **Real Assets:** Solving resource shortages and the climate crisis, including aging workforce, infrastructure replacement, and environmental concerns.

Builders stands out by their ability to provide outsized help to founders. Features of this differentiation include:

1. Exclusive strategic partners in each vertical they invest in. For instance, in agriculture, Wilbur Ellis and Farm Credit Canada are their strategic partners. In addition, Jim Blome (former CEO, Bayer Crop Sciences) and Ben Holland of Cactus Feeders are venture partners in agriculture who help with due diligence, and business development introductions. Both types of partners

have extensive industry networks and help our companies accelerate business development and win sales. This is a major competitive advantage for Builders because at the Series A, founders are most concerned with generating revenues to reach the next financing milestone.

2. Their B2 Studio, which offers portfolio companies hands-on assistance from operational experts relevant at the Series A stage and will be made available to the Hawai'i Fund portfolio companies. Their SWAT team of operators include Dr. Johnny Lalonde, licensed therapist and performance coach; Isaac Dinner, who led Airbnb's performance marketing, guides Series A companies to judiciously spend on customer acquisition; Mojgan Khalil, PR, helps craft a compelling narrative for our portfolio companies to reach earned media (WSJ, Forbes, etc.) who are traditionally out of reach for "unknown" Series A companies. This access to unique industry talent generates an exponential ROI for time spent.

3. BLOX, their internally developed proprietary sourcing engine using state-of-the-art machine learning to identify the best Series A companies before they are actively fundraising.

4. Vertical expertise and network: The Builders team has a collective 60+ years of VC experience and has spent significant time investing at premier venture funds including Khosla Ventures, Formation 8, and NEA. Their experience allows for a unique and value-added investment approach to help companies scale effectively in every vertical they invest in. Beyond their team's own direct industry knowledge, experts in their network are active, current leaders in their respective industries who provide key insight during the diligence process. Additionally, having collectively backed over 125 founders / CEOs, the team has established exclusive relationships with key tech leaders. This expansive network of entrepreneurs, industry experts, top research labs, and strategic LPs, are just one way Builders provides value and access to proprietary deal flow.

Since its formation in 2016, Builders has completed two funds to date and is currently finalizing its new \$400 million Builders Fund III.

Builders VC Fund I ("Fund I") established in 2017 raised \$171 million in capital and has invested into 42 startups. **Builders VC Fund II ("Fund II")** established in 2021 raised \$250 million in capital and has invested in 64 startups. Builders has raised \$350 million thus far towards the \$400 million **Fund III** established in 2025.

Builders believes there is opportunity to build great companies in Hawai'i with potential for strong job creation and revenue growth that will fuel follow-on investments. Thus, as a commitment to Hawaii and to foster Hawai'i's tech

startups, Builders Hawaii Fund currently seeks to raise \$10 million for its first Hawai`i-only fund

The Hawai`i Fund will raise \$10 million from existing and new LPs. The Hawai`i Fund will allow Builders to leverage operational resources and company building processes of Fund I and Fund II and provide promising Hawai`i-based companies direct access to potential follow-on funding via Fund III. Utilizing Builders' global footprint, investor network, and access to deal flow, Builders would be able to support global expansion of Hawai`i-based companies while also incentivizing startups to expand to Hawai`i, increasing opportunities, jobs, and salaries for local residents.

Evaluation Committee Involvement: The formal due diligence process began on October 31, 2024, and the HTDC Evaluation Committee (the "EC") convened on December 6 to interview Builders VC, and again on March 31, 2025, with additional follow up questions in January, February, and March 2025 to discuss the potential merits and concerns of an investment, based on due diligence results and evaluation committee assessment report. The report evaluates the Builders Hawai`i Fund, the GPs' background, and Fund I and Fund II managed by the GP. The EC meetings concluded with a recommendation to advance the investment proposal to the Board.

Hawai`i Fund Structure, Strategy, and Consideration:

1. Builders intends to raise and operate its first Hawai`i only fund of at least \$10 million. HTDC did not invest in any Builders Fund before. Previous LPs of Builders Fund I and II include ERS/Stafford Capital, Servco, institutional investors, and other high net-worth individuals. To raise \$10 million, BHF is finalizing commitments of \$5 million from Kamehameha School. Builders is also in discussion with ERS, Servco, and local family offices to raise further capital to increase fund size for the 2nd close. BHF expects to complete its 1st close in Q2 2025 with a minimum of \$10 million (including any HTDC/HI-CAP capital). Given Builders strong brand and reputation along with support by reputable investors such as KS and Servco, BHF would not have any issue with the SSBCI's matching requirements.
2. Builders is led by Jim Kim, Mark Blackwell, Jocelyn Doe, Alex Kinnier, and Amit Mehta. The Builders team has a combined 60+ years of venture capital experience, with a network of industry experts providing unique insights during the diligence process. BHF or the Hawai`i Fund will be jointly led by Jim Kim and Johnny Chankhamany. Jim focuses his time on deal sourcing, investment, strategy, and business development for all funds across the whole organization. Johnny focuses his time on Asia-Pacific, primarily Hawai`i, operations, strategy, deal sourcing, business development, community & ecosystem development. Through the Hawai`i Fund, Johnny will source Hawai`i-based startups and work with Jim to explore startups abroad that would be a good fit to operate in Hawai`i. Johnny will be responsible for



supporting the needs of Hawai'i Fund portfolio companies and directing Builders resources to amplify portfolio company growth and development. The two partners jointly decide on which companies will receive investments, with input from LPAC members comprised of HTDC and KS representatives.

3. BHF will enable the Fund to invest up to \$1MM in "high potential" Hawai'i-based startups and / or startups from other regions that are willing to operate in Hawai'i. These startups will be identified from within the pipelines and networks of Builders, HTDC, KS, and the local community. The Hawai'i Fund will utilize experts from the Builders Operating Studio and business networks of Kamehameha and HTDC to support the local growth and global expansion of Hawai'i portfolio companies. Builders will support portfolio companies within the Hawai'i Fund with the goal of achieving metrics for follow-on investment consideration with Builders Fund III, subsequent Builders funds, and from the Builders network of investors

4. BHF's investment strategy is to identify high potential Hawai'i-based founders and technologies solving problems faced by Hawai'i organizations and their global peers. Company building, founder development, and technical expertise will be supported by Builders. The Hawai'i Fund will leverage Kamehameha and local partners to support the local go-to-market strategy critical in product development and customer acquisition. Startups achieving growth metrics in the local market will be supported in follow-on financing by the Hawai'i Fund, be in consideration for investment by Builders Fund III or subsequent Builders funds when applicable and be introduced to Builders' network of investors.

Investment areas of focus include technology companies headquartered in Hawaii or willing to be Hawaii-based following investment, with potential to scale globally. The markets BHF is pursuing includes the health, ag tech, real assets, industrial (advanced manufacturing, resilience, cybersecurity, and government) industries. These markets are attractive due to the high concentration of companies in Hawai'i that would potentially be customers of startups targeted for investment, and the potential to scale such startups targeting these markets beyond Hawai'i.

The Hawai'i Fund will focus on Seed or earlier investments, may invest in later stage financing rounds when appropriate, and will also target companies with high potential for follow-on funding at the Series A and B financing rounds from Builders' main fund, helping to keep Hawai'i-based startups in Hawai'i longer. The Hawai'i Fund will prioritize funding for startups willing to keep a portion of their operations in Hawai'i for the duration of the investment period. Builders has invested in Hawai'i-based companies since 2016 and has helped startups from abroad to relocate and operate in Hawaii, creating new opportunities for Hawai'i residents. Kamehameha and HTDC as strategic LPs



increase local credibility and strong access to business networks that can support investment company growth. Builders has the capability to incubate startups, and has done so in the past, to service the needs of strategic partners and scale further when appropriate. The Hawai'i Fund is an optimal pairing between a strong investment manager operating in Hawai'i with global reach and local strategic partners with the ability to significantly impact digital transformation across multiple industries.

Investment selection due diligence includes the following criteria:

- Innovative tech solutions able to gain traction in Hawai'i with potential to scale globally
- Tech solution serves a critical need
- Founder is subject matter expert with desire to build a venture backable business
- Company plans to be Hawai'i-based for at least the duration of the investment period
- Clear path to profitability and / or exit via acquisition

The Builders investment team sources its proprietary deal flow from a variety of resources. Specifically:

- Builders CEO Network / Investing Background: The team has spent significant time investing at premier venture funds including Khosla Ventures, Formation 8, and NEA and has collectively backed over 125 founders / CEOs. Through this experience Builders has accumulated a large network of entrepreneurs who pass along investment opportunities in their strike zone. Some of Builders' best investments have come from the founders of Wish, Bolt Threads, OpenGov, Climate Corp, and other CEO alumni. They believe that their former founders / CEOs are their best advocates when working with top entrepreneurs. Most of their best investments come through this tremendous network.
- Strategic Limited Partners: Builders is fortunate to have 1-2 strategic partners per investment area, who provide them with tremendous market reach. For example, Wilbur-Ellis is a strategic LP in the agriculture space. They are the largest distributor of agricultural products in the United States with \$4 billion in annual sales and 2,600 salespeople who interface daily with growers. Through the Builders relationships with Wilbur-Ellis (W-E) and Farm Credit Canada, they have access to over 150,000 growers. They meet with W-E every week to review the space, and interesting new technologies that are getting traction are bubbled up to them as investors. They have a similar cadence with partners in each of their core industries, including PTT Global Chemical and COESIA in Industrials, UCSF Health Hub and Northwell Health in Digital Health, and Nan Fung, Triovest Hopewell in Real Assets.
- Industry and Scout Network: Builders Seed Venture Partner Mark Goldstein



is the Chairman of UCSF Health Hub and has been a magnet of some of the best deal flow in the digital health space and has an early look into top companies partnering with UCSF. Builders has numerous similar arrangements with organizations like the Creative Destruction Lab, the premier seed-stage mentorship acceleration program in agriculture and industrials, and other sector-focused incubators. Our venture partners like Jim Blome (former CEO of Bayer Crop Sciences - purchased Monsanto) and Ben Holland (Chief Business Officer of Cactus Feeders - 2nd largest cattle feed operation in the US) also play a major role in extending our in-industry network. Furthermore, we have Scout partners like Joey Aquino (AWS Startups) who help provide an early look at Y Combinator startups through their work with AWS.

- The Builders “BLOX” AI Sourcing System: Builders has created a proprietary software platform to source and automatically compile data from 20+ sources, public and private sources. Underlying the Bloxsystem is a set of AI-powered databots which send a weekly automated sourcing report for each investment area. These reports are integrated with our CRM through Builders-tailored API integrations. In addition to canvassing the entirety of the North American market, Blox allows them to find companies before other venture capital firms by categorizing companies according to the Builders VC thesis and showing companies that are approaching the Series A fundraise prior to any official fundraising announcement.
- Regional Networks: Builders has strong relationships with entrepreneurs, corporate partners, universities, and investors outside of Silicon Valley. The center of excellence and expertise for antiquated industries often lies in “fly-over” states, and through extensive personal networks as well as a geographically distributed partnership, we have differentiated access to investment opportunities originating in areas where other Silicon Valley VCs are not looking. Furthermore, by leveraging our LPs like Alaris Capital (Kansas City, MO), we have direct insight into key movements and players in regions where our technology is most impactful. The Builders network in Hawaii has grown significantly in recent years and the partnership with Kamehameha and HTDC further amplifies Builders’ ability to source deals and cultivate promising founders and ideas in Hawai`i.
- Thematic Deep Dives: Builders performs bottom-up industry research in their core sectors by talking to industry experts through their investment team and venture partner networks. Unlike other tech VC funds, they believe that industry knowledge and experience needs to pair with technology acumen. They like to back CEOs who come from industry and have a deep understanding of market pain points and customer behavior.

5. Post investment, BHF will utilize several levers to drive growth for the portfolio companies. First, BHF’s GPs Jim and Johnny have access to the full Builders organization. General Partners at Builders have decades of experience in their respective investment focus areas to lend their insights and network to support portfolio company growth. The Venture Partners, Builders Operating Studio, multiple Country Teams, and Operations teams will also be available to support company growth. BFH will be able to offer portfolio companies



significant company building support at a cost a standalone \$10MM investment fund would not be able to do. Second, KS as the strategic investment partner is key to the success of the Hawaii Fund. Their operations span multiple industries and their network of influence are vital to portfolio companies gaining early customers and traction. KS could pilot or become the first customer for portfolio companies, helping them to refine their product and reducing friction common in Hawai'i organizations that do not want to be the first adopter of new products. As an organization that issues RFPs, KS also could include stipulations that respondents utilize portfolio company products. Third, BFH will help portfolio companies access support from external organizations where appropriate. Portfolio companies will be introduced to mentors, incubators, accelerators, non-dilutive funding sources in Hawai'i and abroad. Strategic investors in Builders VC include leading agricultural suppliers in North America, healthcare systems, and industry leaders that portfolio companies would be able to sell their product into. Country Teams in Singapore, China, Canada, and MENA are available to support international growth. By fostering ongoing partnerships and utilizing proven resources, Hawai'i Fund can mitigate risks associated with the growth trajectory of their portfolio companies.

6. Exits: Builders evaluates exit opportunities for each portfolio company uniquely. The factors under consideration include, but are not limited to, the price of the exit, the timing of the exit, the identity of the acquirer, financing alternatives to exit, type of security issued in the exit, IPO market in relevant timeframe, sentiment of the management team, the performance of the company, competitive landscape, return for shareholders, and state of public markets.

Because Builders' investment strategy is built on the premise of solving real customer pain points in antiquated industries, their companies often have early M&A exit possibilities between Series A and B. These companies have optionality to sell (and generate a 4-5x) within 1-2 years of Builders making the investment or adopting a compelling new business model innovation to supplement the technology to go for a \$B outcome. Examples of such strategy's successful exits from Builder GP's prior investments include Motive Drilling (acquired by H&P) and Taxon Biosciences (acquired by Dupont). A company like Climate Corporation (acquired by Monsanto for \$1B) demonstrates the scenario of a CEO with the desire to build a generational technology company in agriculture. Builders works closely with their CEOs to balance risk / reward and future capital requirements in determining whether to pursue these M&A opportunities. Their track record has many examples of founders who successfully created industry defining companies after turning down early M&A opportunities (i.e., Wish, Climate Corp, and Skybox).



Fund Terms: BHF will be structured with a conventional 10-year term with two optional one-year extensions. Deal terms will be standard, with the GP retaining a 2.5% management fee on capital commitments during the 4-year of the investment period (then reduce to 0.25% per (i.e., from 2.5% to 2.25%, and so on), but shall not be reduce below 1.00%. There will also be a standard 20% carried interest in the investment profits of the Fund with a potential to achieve up to 25% maximum but only upon the scenario where the LPs have already achieved a 3x return on its contributed capital (“hurdle”).

The GP anticipates making its own investment in the Fund with at least \$100,000 or equal to 1% of the proposed \$10 million Fund, which is common and standard commitment in the venture industry.

Fund I, Fund II Performance and Fund III/ Hawaii Fund Expected Returns: Fund I has invested in 42 companies and is expected to achieve significant returns when the IPO and broader markets stabilize. The frozen IPO market coincided with companies hitting maturity. Significant value in the portfolio continues to appreciate and will seek to exit when the markets thaw. Currently, Fund I has an expected internal rate of return of 19.8% which is in line with industry standards for 2017 vintage venture funds (21.3%). Fund II has invested in 64 companies and has performed in the top quartile since inception. The fund is still in its early stages and shows signs of strong expected returns from several investments. Builders VCs investors include leading endowments, foundations, and pension funds. Their ability to raise two prior funds and now raise a \$400MM Fund III largely with returning investors demonstrates the trust institutional investors have in Builders to be good stewards of capital.

Below are a few highlights from Fund I & II portfolio companies:

280 Earth – A joint venture with Google addressing the cooling requirements and emissions from datacenters and industrial facilities. Builders is the exclusive VC partner, providing guidance and support around initial go-to-market strategy and future iterations of potential business models and partnerships.

Carbon Health – Builders initial investment in the Series A round of Carbon Health, a tech-enabled healthcare platform re-engineering every element of primary care delivery for better patient experiences and operational efficiency. The company completed a \$250MM Series D round led by CVS in 2024.

Colossal Biosciences – The biotech startup co-founded by George Church aims to bring back extinct species using CRISPR bioengineering methods. George and his team of Harvard geneticists are pioneers in synthetic biology and personal genomics where several startups have spun out of his Harvard Lab. Builders has worked with George to commercialize these technologies and is proud that Colossal’s successes including achieving decacorn status in January 2025



following a \$200MM financing round valuing the company at over \$10B, and announcing the “woolly mouse” in March 2025, a gene-edited mouse with mutations inspired by woolly mammoths. Another commercial spinout Builders is helping from George’s group at Harvard Labs includes the plastic degradation microbe startup Breaking that is conducting their first commercial pilot in Hawai`i.

Protosure – Builders invested in the Seed round of Protosure, the cloud-based programming-free insurance product implementation and distribution platform, helped the company to relocate headquarter to Hawai`i and introduced high quality local talent for the company to hire. The company has won contracts major American and Japanese insurance conglomerates. Builders continues to support the company with local talent acquisition, contract negotiations, and technical support with their AI development, with plans to lead the Series A financing when appropriate.

Stockguard – Builders incubated and led the Seed and Series A rounds of Stockguard, a developer of the agriculture industry’s first price risk management platform. The Builders Operating Studio assisted with capital efficient customer acquisition and Builders pulled together strategic partners for investment and market development.

Upside – Builders supported Upside, the platform matching brick and mortar retailers with the most valuable consumers, in designing their sales process, refining their pitch, the Builders Operating Studio sales team led grocery customer acquisition, and helped raise follow-on funding from LPs and co-investment vehicles.

Portfolio company exits from Fund I have been delayed due to macroeconomic forces rendering IPO or acquisition unattractive options and exits of investments in Fund II are premature. A few exit highlights include Seed-stage Performance Livestock Analytics from Fund I being acquired by Zoetis at a valuation reported at \$140 million in 2020, and Series-B Conversa Health from Fund I which was acquired by American Well Corporation (NYSE: AMWL) in a deal that included SilverCloud at an aggregate purchase price of \$320 million in 2021.

Fund I Fund II performance and valuations:

The returns and performance multiples shown below were reported by Builders VC and were not subject to audit or third-party verification. The performance data is provided to LPs in annual reports provided by Builders VC. Builders reports that Fund II performance is top quartile and Fund I second quartile as of September 30, 2024. However, with Builders recently portfolio company news now made public (which is not reflected in the return data



below), the new step up basis will greatly increase portfolio valuation positively. This news includes January 2025 financings of Colossal Biosciences \$200MM Series C at \$10.2B valuation and Clay raised a \$40MM pre-emptive Series B at \$1.25B valuation, back in October 2024 Pathos AI closed \$62MM oversubscribed Series C at \$600MM valuation.

Builders expect the Hawai'i Fund to have 3.0x Multiple on Invested Capital and 30% Gross Internal Rate of Return.

Please note that the returns and performance multiples shown below were reported by Funds I and II were not subject to audit or third-party verification. The performance data is provided to LPs in annual reports provided by the Fund. (Please see appendix for detailed return metric definitions).

	Fund I	Fund II	Fund III	Hawai'i Fund (expected returns)
Vintage Year	2017	2021	2025	2025
Fund Size (MMs)	\$171	\$250	\$400	\$10
Invested (MMs)	\$152	\$161	n/a	n/a
Gross IRR	19.8%	24.1%	*50%	*30%
MOIC	2.26x	1.59x	*4-5x	*3.0x

HTDC Strategic Alignment with HTDC/DBEDT/SSBCI and Economic Development Consideration Impact:

Since 2017, Builders has grown and established itself in Hawai'i and the venture community. Builders has invested in **2 Hawai'i-based companies**, facilitated 2 companies in opening Hawai'i offices, and helped one company from Boston begin their first commercial pilot by partnering with a Hawai'i-based enterprise. Investments in these companies has led to the **creation of over 100 jobs**. Dozens of companies within Builders Fund I and Fund II would benefit from selling into Hawai'i enterprises and would open satellite offices or relocate headquarters to Hawai'i if they were able to acquire significant customers in Hawai'i (i.e. Nowsta, NeuroFlow, Concntric, Arpeggio Biosciences, Performance Livestock Analytics, Checkerspot, and HarvestIQ). Builders' biennial CEO Summit has paired ~20 portfolio company CEOs Hawai'i business development contacts to explore potential business opportunities.



Builders' Hawai'i focus is deeply aligned with the goals of local partners. Builders is supported in part by 3 local investors comprised of a state pension fund, a 100+ year old Hawai'i company with multi-billion-dollar annual revenues, and the family office of a local real estate developer. The partnership between Builders, HTDC, and Kamehameha uniquely aligns the collective mission to diversify Hawai'i's economy by fostering a thriving tech industry, providing capital, building infrastructure, and developing talent to promote innovation and create high-paying jobs. This is an ideal Public-Private Partnership providing capital to local tech startups that can develop within Kamehameha and HTDC and their networks as first customers, growing their businesses and hiring locally to service Hawaii customers, then scaling abroad with Builders' expertise and network when ready.

Builders has started an internship program to develop the next generation of finance talent in Hawai'i. Students from Hawaii are eligible to intern with the Builders Hawai'i office and take on projects from all Builders regional offices. Five students from Hawai'i have used the valuable work experience and the Builders VC name recognition boost to their resumes towards earning full-time employment at investment banks, consulting firms, and tech companies.

Hawai'i economic development is also performed via ThriveHI, a Hawai'i non-profit co-founded by Builders to help build Hawaii's tech and startup ecosystems. In the past three years, ThriveHI has been awarded a \$300K Economic Development Administration grant to facilitate statewide collaboration, strategic alignment, and networking building. The grant also supported research culminating in a field catalyst development study identifying tech niches Hawai'i is well suited to pursue. ThriveHI's work has been instrumental in building community amongst tech talent, entrepreneurs, and key industry stakeholders. Their bi-monthly and at times, weekly events, have resulted in kamaaina returning to Hawai'i and finding employment, helped founders find co-founders, increased awareness of career opportunities and provided mentorship for hundreds of high school and college students. ThriveHI's startup pitch events have become a top of funnel feeder to local accelerators and angel investors, with one of the startups winning the pitch competition at the 2024 East Meets West Conference.

Builder's Hawai'i-based portfolio companies are currently generating approximately **\$8MM of annual revenue**. But this is just the start. As Builders' Hawai'i vision is to provide the foundational company building structure and supplementary services that increase the potential and realized successes of Hawai'i-based startups. The success of the startup industry will lead to the advancement of the broader ecosystems and Hawai'i communities. The growth of a mini-Silicon Valley ecosystem in Hawai'i raises the educational system, increases opportunities for higher wages careers, diversifies the economy by



growing an industry that enhances versus replaces established industries, and can improve the quality of life for Hawaiʻi residents. To reduce risk of portfolio companies leaving Hawaiʻi as soon as investments are made, the Hawaiʻi Fund will seek to include a clawback clause and / or other clauses to keep the companies in Hawaiʻi as long as feasible (i.e. requiring one FTE to be Hawaiʻi-based for the duration of the investment period or an investment repurchase by the company fixed at 3x return on investment if a company leaves Hawaiʻi within the investment period).

Builders recognizes that substantial investment of capital, resources, and time in community is required to grow a thriving entrepreneurial ecosystem. Builders has spent hundreds of thousands in Hawaii, excluding salaries, to promote entrepreneurship and support community initiatives. Founders and experts from abroad have been paid to travel to Hawaiʻi to participate in development workshops for the local community. Tens of thousands of dollars in donations from GPs and the Builders network immediately went to Lahaina wildfire victims, Builders offered to purchase \$250K in playground equipment, and organized an event with GPs and portfolio company CEOs to volunteer in Lahaina. Blue Startups and their portfolio companies are hosted in the Builders San Francisco headquarters for one week each year as the base of operations while the Blue Startups companies prepare for their annual SF Demo Day. Builders co-founded and directly sponsors ThriveHI, a Hawaii-based non-profit organization building Hawaiʻi's tech and startup ecosystems.

Thus, Builders and the new Hawaiʻi Fund will remain rooted in Hawaii and are committed to supporting Hawaiʻi-based entrepreneurs and companies, with 100% of investment going to Hawaiʻi-based entrepreneurs. With Hawaiʻi Fund I, they anticipate investments in ~20 Hawaiʻi-based companies employing upwards of 50 FTEs in aggregate. Early-stage tech startups with the support of AI are better equipped to grow with less headcount than in previous cycles. Looking past 2025 and beyond Hawaiʻi Fund I, our goals include scaling companies abroad, helping portfolio companies raise subsequent financing rounds, raising Hawaiʻi Fund II with more local investment and enterprise partners, all of which help expand and diversify Hawaiʻi's economy and increase economic opportunities for Hawaiʻi residents.

Hence, Builders and BFH is highly committed to Hawaiʻi and 100% aligned with HTDC/DBEDT priorities.



Snapshot of Builders Hawai'i Economic Impact Data (from 2017 to 2024)

Number of Funds:	2
Number of portfolio companies with Hawai'i presence:	5 (3 companies based in Hawai'i, 1 company performing commercial pilot in Hawai'i, 1 company retreated from Hawai'i market)
\$ Invested in Hawai'i-based companies to date:	\$4.3 million including reserves for follow-on investments
\$ Annual expenditures by Hawai'i-based companies	\$8 million
Number of jobs created by companies with Hawai'i presence:	140
\$ Annual expenditures by Builders in Hawai'i, excluding local salaries:	\$250,000
Annual tech & entrepreneurship events organized	30+
Statewide reach:	All Hawai'i-based investments are based on Oahu, with one startup having a co-founder on Maui and the other co-founder on Oahu

Strong Governance and Active Participation

Governance and control are crucial components of venture funds, ensuring that investments are managed effectively and efficiently. Builders proposes fund decision making and operation activities be carried out by three proposed bodies:

1. Strategy Committee
2. Investment Committee, and
3. Fund Venture Team

The Strategy Committee would meet at least semi-annually and be comprised of GPs Jim Kim and Johnny Chankhamany, one (1) Kamehameha representative, one (1) HI-CAP representative, and up to two (2) external members representing industry if appropriate. This group would be responsible for:

1. Setting / monitoring strategy & performance
2. Approving changes to operating model, legal structure, governance, etc.



3. Setting composition of Strategy Committee and Investment Committee
4. Guiding investment focus areas
5. Approving large investments
6. Reviewing fund investment strategy and approving new fund investments

The Investment Committee would meet monthly and be comprised of GPs Jim Kim and Johnny Chankhamany, one (1) Kamehameha representative, one (1) HI-CAP representative, and up to two (2) external members representing industry if appropriate. This group would be responsible for:

1. Setting parameters around investment size and approvals
2. Approving smaller investments
3. Ensuring alignment with investment strategy
4. Ensuring realization of strategic value / benefits from investments
5. Continuous reviewing / defining of focus areas
6. Monitoring / evaluating Venture Team's efforts

The Venture Team performs daily operational activities of Hawai'i Fund including creation of value across the entire value chain for all partners. The Venture Team includes GPs Jim Kim and Johnny Chankhamany with up to one (1) HI-CAP Secondee and one (1) Kamehameha representative if appropriate.

This is a unique governing model offered by BHF as it allows for strategic limited partners such as KS and HTDC to have a vote and voice in the decision-making process of operating the fund including but not limited to strategic direction and investment funding. This is not typically offered by venture capital funds. However, it is very important as it allows us to truly ensure that our priorities and interest are being properly executed.

Thus, this is a great investment opportunity for HTDC to be an active partner and to make an impactful investment into a Hawai'i focus technology venture fund.



Appendix:

HTDC's Investment Authority:

According to HRS Title13 §206M-61, HTDC does have the legal authority to co-invest public funds in private financial organizations.

2024 Hawai'i Revised Statutes, Title 13. Planning and Economic Development206M. High Technology Development Corporation206M-62 Strategic development programs revolving fund.

§206M-61 Strategic development programs; purpose; powers. The purpose of the strategic development programs is to encourage economic development and diversification in Hawai'i through innovative actions in cooperation with private enterprises. The development corporation shall establish programs to stimulate private capital investment in Hawai'i toward investments that promote the welfare of citizens in this State, economic growth, employment, and economic diversification. The development corporation may use public funds to provide incentives to private investment activity, by co-investing public funds in private financial organizations to increase the impact of the public investment while utilizing the investment acumen of the private sector, and by using public funds to reduce the risks of private investments.

<https://law.justia.com/codes/hawai'i/title-13/chapter-206m/section-206m-61/>

Goals of the SSBCI Program:

The primary purpose of the 2021 SSBCI funding is to promote small business growth and economic development by providing access to capital. These goals are accomplished by:

1. Support Small Businesses
Provide capital to small businesses, including startups and microbusinesses, to help them recover from the economic impacts of the COVID-19 pandemic. Enable small businesses to access affordable credit and investment capital.
2. Promote Equity and Inclusion
Prioritize underserved communities, including minority-owned, women-owned, and rural businesses, which often face barriers to accessing traditional financing. Ensure that at least 30% of the funds are directed toward businesses owned by socially and economically disadvantaged individuals (SEDI).
3. Leverage Private Capital
Encourage states to use SSBCI funds to attract private investment, with the goal of generating a multiplier effect. For every \$1 of federal funding, states are expected to leverage at least \$10 in private capital.
4. Create Jobs and Stimulate Economic Growth
Support job creation and retention by enabling small businesses to expand operations, invest in equipment, and hire more workers.
5. Foster Innovation and Entrepreneurship
Provide funding for innovative small businesses, including those in high-growth sectors like technology, clean energy, and advanced manufacturing.

Reauthorized and expanded by President Biden's American Rescue Plan, the State Small Business Credit Initiative (SSBCI) is a nearly \$10 billion program to support small businesses and



entrepreneurship in communities across the United States by providing capital and technical assistance to promote small business stability, growth, and success. SSBCI will provide funding to states, the District of Columbia, territories, and Tribal governments (collectively, participating jurisdictions) for programs that catalyze lending and investing in small businesses, build ecosystems of opportunity and entrepreneurship, and create high-quality jobs. SSBCI is designed to catalyze private capital in the form of loans to and investments in small businesses, especially in historically underserved communities and among entrepreneurs who may have otherwise lacked the support needed to pursue their business ambitions. SSBCI support can be transformative in a range of industries, including small manufacturing, supply chain, and other sectors promoting key national priorities.

<https://home.treasury.gov/policy-issues/small-business-programs/state-small-business-credit-initiative-ssbci>

Biographies of Key Personnel at Builders Hawaii Fund:

Jim Kim - Founding member and General Partner at Builders VC, where he enjoys partnering with entrepreneurs working on transformative ideas. He loves contrarian approaches in companies and fixing antiquated industries that fundamentally serve needs for modern society. Prior to Builders, Jim founded Formation 8 and remains a Managing Partner. He currently serves on the boards of Checkerspot, Bolt Threads, Fieldwire, Bowery Valuation, and Notable Labs.

Jim formerly served as a General Partner at Khosla Ventures and a Senior Partner at CMEA Capital. Jim began his career by founding GE's Venture Capital effort and leading investments in China High Speed Transmission and ComScore.

Jim received undergraduate degrees in Computer Science & Electrical Engineering and Political Science from MIT, where he also founded a venture-backed Internet Infrastructure start-up with fellow Course 6 students. He also holds a Masters Degree in Quantitative Data Analysis from Columbia University and an MBA from Columbia Business School.

Jim has been personally committed to Hawaii before doing any venture capital work here. He expanded his wine business from California to Oahu more than a dozen years ago. While building his wine distribution business, Jim sought out local industry stakeholders such as Blue Startups to volunteer his time and Builders resources in founder development events and mentoring for Blue Startups cohort companies. Hawaii investors became aware of contributions by Jim and Builders to Hawai'i, which led to local investors participating in Fund I. Strong fund traction and continued investment in Hawai'i's entrepreneurship ecosystem including funding for Hawai'i-based startups led to an increase in the quantity of local investors and dollars invested in Fund II.

Johnny Chankhamany - Executive Director of Strategic Partnerships and Ecosystem Development at Builders VC, where he enjoys gathering mission-aligned partners to collaborate on solutions increasing opportunities for startups, established businesses, and community. Born and raised in Hawai'i, he especially loves upleveling local talent and companies to become globally competitive.

Prior to Builders, Johnny was an investor relations and financial analyst at HEI, Inc. At HEI, Johnny worked with the executive teams of HEI, Hawaiian Electric, American Savings Bank, and Pacific Current in preparing earnings releases, coordinating earnings announcement calls with investors, conducting financial research and analysis, and worked on various internal and external financial reporting.



Additionally, he is very involved in the local community as board member of several non-profits and as President of AKAMAI Foundation where he has helped underprivileged youth for about two decades. While at AKAMAI Capital, the for-profit arm of AKAMAI Foundation, Johnny led the creation of the first Hawai'i-based community development venture capital (CDVC) funds. These CDVC funds raised investor capital which was deployed alongside business consulting services to Hawai'i-based businesses in socioeconomically distressed communities. His work at AKAMAI has resulted in hundreds of students studying at local universities receiving internship and full-time job offers with six-figure salaries on Wall Street. Johnny is also a board member at Hoomaka Foundation, a non-profit Native Hawaiian Organization (NHO) dedicated to improving the lives of Native Hawaiians. He helps develop programs that foster education and economic development to promote Native Hawaiian Advancement through profits generated from the NHO's SBA 8(a) businesses. Johnny received both his undergraduate and Masters degrees in Finance from the University of Hawai'i at Manoa Shidler School of Business.

Investment Terms and Definitions

IRR – Internal Rate of Return. IRR is a uniform calculation for investments of varying types and, as such, can be used to rank multiple prospective investments on a relatively even basis. IRR takes into consideration the timing of cash flows to and from the investment. In general, when comparing investment options with other similar characteristics, the investment with the highest IRR would generally be considered the best. Funds typically present IRRs on both a gross and net basis. IRRs shown by benchmark indices are typically net of fees (equivalent to Net IRR for the Fund).

TVPI – Total Value to Paid In. The ratio provides prospective investors (such as HTDC) with a multiple that indicates how many times more the investment is currently valued at compared with the original investment (made at cost), without considering the time value of money.

DPI – Distribution to Paid In. The ratio represents the portion of TVPI that is “realized” by investors. It measures how much invested capital has been returned to investors through distributions by the fund.

Gross Vs. Net – Gross values (e.g., Gross IRR) are returns before management fees of the venture firm (general partner or GP) are accounted for (i.e., the figure does not deduct the management fees which are taken from LP investors). Net values (such as Net IRR) account for management fees of the GP and are lower than the Gross Values shown.

Realized Vs. Unrealized Returns – Realized returns, also called “cash-on-cash returns”, is essentially the ratio of invested capital that has been paid back to investors in the fund. Unrealized returns, also called “paper returns”, is the current value of the fund's positions in companies that have not been acquired by another entity or have not sold shares held by investors through an initial public offering (IPO). Returns shown are almost entirely unrealized.

Multiple on Invested Capital (“MOIC”) is a metric used to describe the value or performance of an investment relative to its initial cost, commonly used within private markets. MOIC is among the most relevant metrics to be assessed while conducting fund due diligence. In fund investments, MOIC is expressed as a measure of the total value (i.e., both realized and unrealized, see below) of all shares in the fund divided by the initial investment. Since the individual securities held in a fund will have exit transactions at different times, the MOIC of the fund at any particular time combines the value of securities that have been sold (i.e., realized proceeds) with the value of securities that remain active (i.e. unrealized value). Unrealized value consists of stakes in companies (whether public or still private) that have not yet been liquidated.