

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended December 31, 2023

Or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 001-06510

**MAUI LAND & PINEAPPLE COMPANY, INC.**  
(Exact name of registrant as specified in its charter)

|  |   |
|--|---|
| <b>Delaware</b><br>(State or other jurisdiction<br>of incorporation or organization)                   | <b>99-0107542</b><br>(IRS Employer<br>Identification No.) |
| 500 Office Road<br>Lahaina, Maui, Hawai'i 96761<br>(Address of principal executive offices) (Zip Code) |   |
| <b>(808) 877-3351</b><br>(Registrant's telephone number, including area code)                          |   |

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class              | Trading Symbol(s) | Name of each exchange on which registered |
|----------------------------------|-------------------|---|
| Common Stock, \$0.0001 par value | MLP               | New York Stock Exchange                   |

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell Company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

|  |  |
|--|--|
| <b>\$106,767,291</b><br>(Aggregate market value of common stock<br>held by non-affiliates of the company on June 30, 2023) | <b>19,680,996</b><br>(Number of shares of common stock<br>outstanding at March 21, 2024) |
|--|--|

**DOCUMENTS INCORPORATED BY REFERENCE**

Portions of registrant's definitive Proxy Statement on Schedule 14A relating to the registrant's 2024 Annual Meeting of Stockholders, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A not later than 120 days after the end of the fiscal year covered by this Form 10-K, are incorporated by reference in Part III, Items 10-14 of this Form 10-K.

#### CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K for the year ended December 31, 2023 (this "Annual Report"), filed by Maui Land & Pineapple Company, Inc. with the Securities and Exchange Commission ("SEC"), contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which statements are subject to considerable risks and uncertainties. Forward-looking statements include all statements that are not statements of historical fact contained in this Annual Report and can be identified by words such as "anticipate," "believe," "continue" or "could," "estimate," "expect," "intend," "may," "might," "project," "pursue," "will," or "would," or the negative or other variations thereof or comparable terminology. In particular, forward-looking statements contained in this Annual Report relate to, among other things, our future events, future financial performance, results of operations, strategic plans and objectives, and recent accounting pronouncements. We caution you that the foregoing list may not include all of the forward-looking statements made in this Annual Report. All of our forward-looking statements include assumptions underlying or relating to such statements that may cause actual results to differ materially from those that we are currently expecting, and are subject to considerable risks and uncertainties impacted by various factors, including the following, without limitation:

- the risk of climate change, severe weather or natural disasters, such as the Maui wildfires that occurred in August 2023;
- the concentration of credit risk on deposits held at banks in excess of the Federal Deposit Insurance Corporation ("FDIC") insured limits and in receivables from our commercial leasing portfolio;
- unstable macroeconomic market conditions, including, but not limited to, energy costs, credit markets, interest rates, inflationary pressures, and changes in income and asset values;
- an outbreak of a highly infectious or contagious disease such as the COVID-19 pandemic and its variants;
- our ability to complete land development projects within forecasted time and budget expectations, including obtaining land use entitlements at reasonable costs and addressing environmental regulations pertaining to land development;
- availability of capital on terms favorable to us, and our ability to raise capital through the sale of certain real estate assets;
- our ability to comply with the terms of our indebtedness, including financial covenants, and to extend maturity dates, or refinance such indebtedness prior to its maturity dates;
- security incidents through cyber-attacks or intrusions on our information systems;
- our remote location in Hawai'i apart from the mainland United States;
- our ability to successfully compete with other developers of real estate in Maui;
- our insurance coverages may be inadequate to cover catastrophic losses;
- unauthorized use of our trademarks could negatively impact our business;
- our ability to comply with funding requirements of employee retirement plans; and
- changes in U.S. accounting standards may adversely impact us.

The forward-looking statements contained in this Annual Report are based on management's current plans, estimates and expectations in light of information currently available to us, and they are subject to uncertainty and changes in circumstances. Actual results may differ materially from our expectations due to changes in global, regional or local political, economic, business, competitive, market, regulatory and other factors, many of which are beyond our control, as well as the other factors described in the section entitled "Risk Factors" within this Annual Report, our quarterly reports on Form 10-Q, and in the other reports we file with the SEC.

Although we believe that our opinions and expectations reflected in the forward-looking statements are reasonable as of the date of this Annual Report, we cannot guarantee future results, levels of activity, performance or achievements, and our actual results may differ substantially from the views and expectations set forth in this Annual Report. Thus, you should not place undue reliance on any forward-looking statements. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Further, any forward-looking statements speak only as of the date made and, except as required by law, we undertake no obligation to publicly revise our forward-looking statements to reflect events or circumstances that arise after the date of this Annual Report.

**TABLE OF CONTENTS**

[Cautionary Note Regarding Forward Looking Statements](#)

i

**PART I**

|          |  |           |
|----------|--|-----------|
| Item 1.  | <a href="#"><u>Business</u></a>                  | <u>1</u>  |
| Item 1A. | <a href="#"><u>Risk Factors</u></a>              | <u>3</u>  |
| Item 1B. | <a href="#"><u>Unresolved Staff Comments</u></a> | <u>10</u> |
| Item 1C. | <a href="#"><u>Cybersecurity</u></a>             | <u>10</u> |
| Item 2.  | <a href="#"><u>Properties</u></a>                | <u>11</u> |
| Item 3.  | <a href="#"><u>Legal Proceedings</u></a>         | <u>11</u> |
| Item 4.  | <a href="#"><u>Mine Safety Disclosures</u></a>   | <u>12</u> |

**PART II**

|          |   |           |
|----------|---|-----------|
| Item 5.  | <a href="#"><u>Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u></a> | <u>12</u> |
| Item 6.  | <a href="#"><u>Selected Financial Data</u></a>  | <u>12</u> |
| Item 7.  | <a href="#"><u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u></a>                        | <u>12</u> |
| Item 7A. | <a href="#"><u>Quantitative and Qualitative Disclosures About Market Risk</u></a>   | <u>18</u> |
| Item 8.  | <a href="#"><u>Financial Statements and Supplementary Data</u></a>  | <u>19</u> |
| Item 9.  | <a href="#"><u>Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u></a>                         | <u>39</u> |
| Item 9A. | <a href="#"><u>Controls and Procedures</u></a>  | <u>39</u> |
| Item 9B. | <a href="#"><u>Other Information</u></a>  | <u>40</u> |

**PART III**

|          |   |           |
|----------|---|-----------|
| Item 10. | <a href="#"><u>Directors, Executive Officers and Corporate Governance</u></a>   | <u>40</u> |
| Item 11. | <a href="#"><u>Executive Compensation</u></a>   | <u>40</u> |
| Item 12. | <a href="#"><u>Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u></a> | <u>40</u> |
| Item 13. | <a href="#"><u>Certain Relationships and Related Transactions, and Director Independence</u></a>                      | <u>41</u> |
| Item 14. | <a href="#"><u>Principal Accountant Fees and Services</u></a>   | <u>41</u> |

**PART IV**

|          |  |           |
|----------|--|-----------|
| Item 15. | <a href="#"><u>Exhibits, Financial Statement Schedules</u></a> | <u>41</u> |
|----------|--|-----------|

**SIGNATURES**

43

**PART I**

**Item 1. BUSINESS**

**Overview**

Maui Land & Pineapple Company, Inc. is a Delaware corporation and the successor to a business organized in 1909 as a Hawai'i corporation. The Company reincorporated from Hawai'i to Delaware pursuant to a plan of conversion completed on July 18, 2022. Total authorized capital stock of the Company includes 48,000,000 shares, consisting of 43,000,000 shares of common stock, par value \$0.0001 per share, and 5,000,000 shares of preferred stock, par value \$0.0001 per share. Shares of the Company's common stock are listed on the New York Stock Exchange ("NYSE") under the ticker symbol "MLP."

Depending upon the context, the terms "Company," "we," "our," and "us," refer to either Maui Land & Pineapple Company, Inc. alone, or to Maui Land & Pineapple Company, Inc. and its subsidiaries collectively. The Company consists of a landholding and operating parent company, has a principal subsidiary, Kapalua Land Company, Ltd., and certain other subsidiaries.

We own approximately 22,300 acres of land and 268,000 square feet of commercial property on the island of Maui, Hawai'i which we put into productive use by planning, managing, developing, and selling residential, resort, commercial, agricultural, and industrial real estate through three business segments:

**Land Development & Sales:** Our land development and sales operations consist of land planning and entitlement, development, and sales activities.

**Leasing:** Our leasing operations include commercial, agricultural, and industrial land and property leases, licensing of our registered trademarks and trade names, management of potable and non-potable water systems in West and Upcountry Maui, and stewardship of conservation areas.

**Resort Amenities:** We manage the operations of the Kapalua Club, a private, non-equity club program providing our members special programs, access, and other privileges at certain amenities in the Kapalua Resort.

For additional information and operating results related to the above business segments refer to the section entitled "Business Segments" in this Item 1 and in Note 13 to our financial statements set forth in Item 8 of this Annual Report.

**Business Segments**

***Land Development and Sales***

Our Land Development and Sales segment includes all land planning, entitlement, development, and sales activities of our landholdings on Maui. Our principal real estate development is the Kapalua Resort, a master-planned, destination resort and residential community located in West Maui. The following is a summary of our landholdings in approximate number of acres as of December 31, 2023:

|                        | <b>West<br/>Maui</b> | <b>Upcountry<br/>Maui</b> | <b>Total</b>  |
|------------------------|----------------------|---------------------------|---------------|
| Commercial/Industrial  | 22                   | -                         | 22            |
| Residential            | 933                  | -                         | 933           |
| Agricultural           | 9,481                | 1,500                     | 10,981        |
| Conservation/watershed | 10,350               | -                         | 10,350        |
| <b>Total</b>           | <b>20,786</b>        | <b>1,500</b>              | <b>22,286</b> |

Revenues from our Real Estate segment totaled \$1.6 million, or approximately 15% of our total operating revenues for the year ended December 31, 2023.

***Real Estate Planning and Entitlements*** – In certain cases we must obtain appropriate entitlements and approvals for the land we intend to develop. Securing proper land entitlements is a process that may require county, state, and federal approvals, which can take years to complete and entails a variety of risks. The entitlement process requires that we satisfy certain conditions and restrictions in connection with such governmental approvals, including, among other things, infrastructure improvements and impact fees in the form of dedicated land for schools and public parks, provide traffic mitigation measures, restrictions on permitted uses of the land, and provisions of affordable housing. We actively work with the community, regulatory agencies, and legislative bodies at all levels of government to obtain and manage necessary approvals consistent with the needs of the community.

Land Development and Sales was previously named Real Estate. The name change of the segment better represents the mission, vision and direction of the Company consistent with the leadership transition that occurred in April 2023. There is no impact to prior reporting due to this segment name change.

## Table of Contents

In 2023, under new leadership, our primary activity in this segment focused on market research and master planning of all owned land. In addition to strategic planning of our entire asset portfolio, we have approximately 1,050 acres of land on Maui that are in various stages of active planning and development process. The following is a summary of our active development projects as of December 31, 2023:

| Location                           | Approximate Number of Acres | Zoned for Planned Use | Projected Start/End Dates |
|------------------------------------|-----------------------------|-----------------------|---------------------------|
| West Maui - Kapalua Central Resort | 50                          | Yes                   | 2024 - 2031               |
| West Maui – Kapalua Mauka          | 930                         | Yes                   | 2024 - 2034               |
| West Maui – Kapalua Makai          | 40                          | Yes                   | 2024 - 2034               |
| Hali'imaile Ranch Lots             | 30                          | Yes                   | 2024 - 2031               |

We are engaged in planning, permitting and entitlement activities for our development projects, and we intend to proceed with construction and sales of the following projects, among others, when internal and external factors permit:

### ***West Maui - Kapalua Resort:***

We began development of the Kapalua Resort in the early 1970's. Today, the Kapalua Resort is an internationally recognized world-class destination resort, beach, golf and residential community. We presently have entitlements to develop a variety of projects in the Kapalua Resort. Three projects that are currently in various stages of planning include Kapalua Central Resort, Kapalua Mauka, and Kapalua Makai.

Kapalua Central Resort is a commercial town center and residential community located in the heart of the Kapalua Resort. It is comprised of 46 acres and State and County land use entitlements have been secured for this project. The project is currently planned to include up to 196 residential units and 61,000 square feet of commercial space. In December 2021, we entered into an agreement to sell the Kapalua Central Resort property for \$40.0 million. On April 11, 2023, we allowed terms of the agreement to expire and regained control of the project from the developer. We are currently processing an extension of a Special Management Area ("SMA") permit issued by the County of Maui. We are actively working with our consultants and engaging with the community in preparation for the permit extension review, which is anticipated to occur in 2024. Concurrently, we are negotiating a joint venture to advance development of the property.

Kapalua Mauka was master planned and entitled in 2008 as a luxury single-family residential golf course neighborhood within Kapalua Resort. The property is located directly upslope of the existing resort development. The first phase of Kapalua Mauka, consisting of 51 residential lots, was subdivided, sold to a developer, and has since been completed. The remaining project area encompasses approximately 930 acres of land and has State and County land use entitlements to deliver up to 639 single-family homes, 19 condominium units, resort amenities, and an additional golf course or recreational space. As of this filing, planning and pre-development efforts are underway on the project.

Kapalua Makai is a 37-acre future project of the Kapalua Resort which is located adjacent to Honokahua Bay, also known as DT Fleming Beach Park. The land has State and County land use entitlements to deliver up to 573 residences, 349 hotel units, and new commercial and/or resort amenities. As of this filing, master planning and pre-development efforts are underway on the project.

### ***Upcountry Maui - Hali'imaile Town:***

Hali'imaile is an existing town located in Upcountry Maui, adjacent to historic Makawao Town. We own approximately 1,463 acres in Hali'imaile zoned for agriculture, light industrial, and business which is in the federal Tax Cuts and Jobs Act ("TCJA") Opportunity Zone. Our landholdings include 290 acres classified for growth potential as "Small Town" in the long-range County of Maui Island Plan. As of this filing, we are underway with master planning for all land in Hali'imaile.

In December 2023, we entered into a joint venture, BRE2 LLC, with Stone Properties, a Maui based developer. The joint venture is currently underway to develop approximately 31 acres in Hali'imaile Town to be sold as ranch lots

As we develop these and other strategic projects, we expect to finance pre-development costs with operating revenues, proceeds from non-strategic land sales, debt financing, capital from joint venture partners or a combination of these methods.

The price and market for resort and other real estate in Maui is generally cyclical and influenced significantly by interest rates, other real estate markets in the mainland United States, specifically the west coast, where Hawai'i is a popular location for vacations and the second-home market, the general condition of the economy in the United States and Asia, and the relationship of the dollar to foreign currencies. Our Land Development and Sales segment faces competition from other landowners and developers in Maui, as well as in other parts of Hawai'i and the mainland United States. Our land holdings in West Maui are highly desired due to their proximity to beaches and amenities, along with a natural grade which provides a majority of the land with unobstructed ocean views.

## **Leasing**

Our Leasing segment operations include commercial, industrial, and agricultural leases of land and property, licensing of our registered trademarks and trade names, sales of potable and non-potable water in West and Upcountry Maui, and grants related to stewardship and conservation efforts.

Revenues from our Leasing segment totaled \$8.5 million, or approximately 78% of our total operating revenues for the year ended December 31, 2023.

***Commercial and Industrial Leases*** – We are the owner and lessor of approximately 267,747 square feet of commercial, retail and light industrial properties, including restaurants, retail outlets, office buildings, warehouses and Kapalua Resort activities. The following summarizes information related to our commercial and industrial leases as of December 31, 2023:

|                 | Total Square Footage | Average Occupancy Percentage | Lease Expiration Dates |
|-----------------|----------------------|------------------------------|------------------------|
| Kapalua Resort  | 74,700               | 85%                          | 2024 - 2032            |
| Other West Maui | 55,450               | 68%                          | 2024 - 2034            |
| Upcountry Maui  | 137,597              | 71%                          | 2024 - 2032            |

## Table of Contents

*Agricultural Leases* – We are the lessor of approximately 11,000 acres of diversified agriculture, renewable energy, eco tours, and activities land leases in West and Upcountry Maui.

*Trademark and Trade Name Licensing* – Our primary trademarks and trade names include Kapalua, the Kapalua butterfly logo and the Maui Gold name and associated pineapple logo. We currently have licensing agreements for the use of these trademarks and trade names with several different companies, mainly in conjunction with our agricultural, commercial and industrial leases.

*Potable and Non-Potable Water Systems* – We own and operate several potable water wells, non-potable irrigation water ditches, reservoirs and transmission systems serving the Kapalua Resort, the County of Maui, and agricultural users in West and Upcountry Maui.

*Stewardship and Conservation* – We own and manage the conservation of a 9,000-acre nature and watershed preserve in West Maui known as the Pu'u Kukui Watershed Preserve. A portion of our stewardship and conservation efforts is subsidized by the State of Hawai'i.

Our Leasing segment operations are highly sensitive to economic conditions, including tourism and consumer spending levels, and faces substantial competition from other property owners in both Maui and Hawai'i as a whole. The amount of rainfall and the level of development in the Kapalua Resort area also affect the demand for our potable and non-potable water. The 2023 Maui wildfires negatively impacted leasing revenues in West Maui and led us to provide rent relief to certain tenants.

### **Resort Amenities**

Our Resort Amenities segment includes the operations of the Kapalua Club, a private, non-equity club providing its members special programs, access and other privileges at certain amenities at the Kapalua Resort, including a 30,000 square foot full-service spa and fitness center as well as a private pool-side dining beach club.

Revenues from our Resort Amenities segment totaled \$0.8 million, or approximately 7% of our total operating revenues for the year ended December 31, 2023.

The Kapalua Club is principally dependent on the overall appeal and success of the Kapalua Resort. The resort faces competition from other resort destination communities on Maui and other parts of Hawai'i.

### **Employees**

We had ten employees at December 31, 2023, of which seven were full-time employees none of whom are members of a collective bargaining group.

We have adopted a Code of Business Conduct and Ethics, which applies to all of our directors, officers and employees. We also utilize an ethics reporting email and voice system which is monitored by the Audit Committee of the Board of Directors. Our Code of Business Conduct and Ethics is available on our website at [www.mauiland.com](http://www.mauiland.com) under the Investor section of the website. We will promptly disclose on our website the nature of any amendment to, or waiver or implicit waiver from, our Code of Business Conduct and Ethics that applies to any principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions.

### **Available Information**

Our internet address is [www.mauiland.com](http://www.mauiland.com). Reference in this Annual Report to this website address does not constitute incorporation by reference of the information contained on the websites. We make available free of charge on or through our website our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and other reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. We also make available through our website all filings of our executive officers and directors on Forms 3, 4 and 5 pursuant to Section 16 of the Exchange Act. These filings are also available on the Security and Exchange Commission's website at [www.sec.gov](http://www.sec.gov).

### **Item 1A. RISK FACTORS**

Our short and long-term success is subject to numerous risks and uncertainties, many of which involve factors that are difficult to predict or beyond our control. As a result, investing in our common stock involves substantial risk. Our stockholders should carefully consider the risks and uncertainties described below, in addition to the other information contained in or incorporated by reference into this Annual Report, as well as the other information we file with the Securities and Exchange Commission (the "SEC") from time to time. If any of these risks are realized, our business, financial condition, results of operations, liquidity and prospects could be materially and adversely affected. In that case, the value of our common stock could decline, and stockholders may lose all or part of their investment. Furthermore, additional risks and uncertainties of which we are currently unaware, or which we currently consider to be immaterial, could have a material adverse effect on our business. Certain statements made in this section constitute "forward-looking statements," which are subject to numerous risks and uncertainties including those described in this section. For additional information, refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" within this Annual Report.

## Risks Related to our Business

### ***Unstable macroeconomic market conditions could materially and adversely affect our operating results.***

Our operations and performance depend on worldwide economic conditions. Uncertainty about global economic conditions poses a risk to our business as consumers, tourists and real estate investors postpone or reduce spending in response to tighter credit markets, energy costs, negative financial news, reduced consumer confidence, and/or declines in income or asset values, which could have a material negative effect on the demand for our products and services. Other factors that could influence demand include increases in fuel costs, conditions in the residential real estate and mortgage markets, interest rates, labor costs, access to credit on reasonable terms, geopolitical issues, and other macroeconomic factors affecting consumer spending behavior. These and other economic factors could have a material adverse effect on demand for our products and services and on our financial condition and operating results.

In addition, should current equity or credit market conditions deteriorate, or if our expenses increase unexpectedly, it may become necessary for us to raise additional capital in the form of a debt or equity financing, or a combination of the two. A downturn in industry, market or economic conditions could make debt or equity financing more difficult, more costly, and, in the case of an equity financing, more dilutive to our existing stockholders. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our ability to execute our current business strategy, as well as our financial performance and stock price.

### ***Real estate investments are subject to numerous risks and we are negatively impacted by downturns in the real estate market.***

We are subject to risks that generally relate to investments in real property because we develop, sell, and lease real property, primarily for residential use. The market for real estate on Maui and in Hawai'i generally tends to be highly cyclical and is typically affected by numerous changes in local, national, and worldwide conditions, especially economic conditions, many of which are beyond our control, including the following:

- periods of economic uncertainty and weakness in Hawai'i and in the United States generally;
- uncertainties and changes in U.S. social, political, regulatory, and economic conditions or laws and policies, and concerns surrounding ongoing developments in the European Union, the Middle East and Asia;
- high unemployment rates and low consumer confidence;
- the general availability of mortgage financing, including the effect of more stringent lending standards for mortgages and perceived or actual changes in interest rates;
- energy costs, including fuel costs, which could impact the cost and desirability of traveling to Hawai'i;
- local, state, and federal government regulation, including eminent domain laws, which may result in a taking for less compensation than what we believe our property is worth;
- the popularity of the Kapalua Resort area, the island of Maui, and the State of Hawai'i as a vacation destination or second home market;
- the relationship of the dollar to foreign currencies;
- tax law changes, including limits or potential elimination of the deductibility of certain mortgage interest expenses, real property taxes and employee relocation expenses; and/or
- acts of God, such as wildfires as recently experienced on Maui, tsunamis, hurricanes, earthquakes, and other natural disasters, including the impacts of the COVID-19 pandemic and its variants.

Changes in any of the foregoing could have a material adverse effect on our business by causing a more significant decline in the market for residential or luxury real estate, which, in turn, could adversely affect our development plans, revenues and profitability. During low periods of demand, real estate may remain on hand for much longer than expected or be sold at lower-than-expected returns, or even at a loss, which could impair our liquidity and ability to proceed with development projects and negatively affect our operating results. Sustained adverse changes to our development plans could result in impairment charges or write-offs of deferred development costs, which could have a material adverse impact on our financial condition and results of operations. In addition, in the current economic environment, equity real estate investments may be difficult to sell quickly and we may not be able to adjust our portfolio of properties quickly in response to economic or other conditions.

## Table of Contents

***Because we are located in Hawai'i and therefore apart from the mainland United States, our financial results are more sensitive to certain economic factors, such as spending on tourism and increased fuel and travel costs, which may adversely impact and materially affect our business, financial condition and results of operations.***

Our businesses are dependent on attracting visitors to the Kapalua Resort, to the island of Maui, and to the State of Hawai'i as a whole. Economic factors that affect the number of visitors, their length of stay or expenditure levels will affect our financial performance. Factors such as worldwide economic uncertainty and weakness, the level of unemployment in Hawai'i and the mainland United States, natural disasters, substantial increases in the cost of energy, including fuel costs, and events in the airline industry that may reduce passenger capacity or increase traveling costs could reduce the number of visitors to the Kapalua Resort and negatively affect a potential buyer's demand for our future property developments, each of which could have a material adverse impact on our business, financial condition and results of operations. In addition, the threat, or perceived threat, of heightened terrorist activity in the United States or other geopolitical events, or the threat, or perceived threat, of the spread of contagious diseases, such as COVID-19 and its variants, could negatively affect a potential visitor's choice of vacation destination or second home location or result in travel bans that could, as a result, have a material adverse impact on our business, financial condition and results of operations.

### ***We have previously been involved in joint ventures and may be subject to risks associated with future joint venture relationships.***

We have previously been involved in partnerships, joint ventures and other joint business relationships, and may initiate future joint venture projects. A joint venture involves certain risks such as:

- our actual or potential lack of voting control over the joint venture;
- our ability to maintain good relationships with our joint venture partners;
- a venture partner at any time may have economic or business interests that are inconsistent with ours, especially in light of economic uncertainty and weakness;
- a venture partner may fail to fund its share of operations and development activities, or to fulfill its other commitments, including providing accurate and timely accounting and financial information to us; and
- a joint venture or venture partner could lose key personnel.

In connection with our joint venture projects, we may be asked to guarantee the joint venture's obligations, or to indemnify third parties in connection with a joint venture's contractual arrangements. If we were to become obligated under such arrangements or become subject to the risks associated with joint venture relationships, our business, financial condition and results of operations may be adversely affected.

[Table of Contents](#)

***If we are unable to complete land development projects within forecasted time and budget expectations, if at all, our financial results may be negatively affected.***

We intend to develop subdivisions, resort and other properties as suitable opportunities arise, taking into consideration the general economic climate. New project developments have a number of risks, including risks associated with:

- construction delays or cost overruns that may increase project costs;
- receipt of zoning, subdivision, water availability, occupancy and other required governmental permits and authorizations;
- development costs incurred for projects that are not pursued to completion;
- earthquakes, tsunamis, hurricanes, floods, fires or other natural disasters that could adversely impact a project;
- defects in design or construction that may result in additional costs to remedy or require all or a portion of a property to be closed during the period required to rectify the situation;
- ability to raise capital;
- impact of governmental fines and assessments such as park fees or affordable housing requirements;
- governmental restrictions on the nature or size of a project or timing of completion; and
- the potential lack of adequate building/construction capacity for large development projects.

If any development project is not completed on time or within budget, this could have a material adverse effect on our financial results.

***If we are unable to obtain required land use approvals at reasonable costs, or at all, our operating results would be adversely affected.***

The financial performance of our Land Development and Sales segment is dependent upon our success in obtaining discretionary and ministerial approvals for proposed development projects. Obtaining all the necessary approvals to develop a parcel of land is often difficult, costly and may take several years, or longer, to complete. In some situations, we may be unable to obtain the necessary approvals to proceed with a real estate development or may be required to alter our plans for the development. Delays or failures to obtain these approvals may have a material adverse effect on our financial results.

***If we are unable to successfully compete with other developers of real estate in Maui, our financial results could be materially adversely affected.***

Our real estate products face significant competition from other luxury resort real estate properties on Maui, and from other residential property in Hawai'i and the mainland United States. In many cases, our competitors are larger than us and have greater access to capital. If we are unable to compete with these competitors, our financial results could be materially adversely affected.

## [Table of Contents](#)

### ***We may be subject to certain environmental regulations under which we may have additional liability and experience additional costs for land development.***

Various federal, state, and local environmental laws, ordinances and regulations regulate our properties and could make us liable for the costs of removing or cleaning up hazardous or toxic substances on, under, or in property we currently own or operate or that we previously owned or operated. These laws could impose liability without regard to whether we knew of, or were responsible for, the presence of hazardous or toxic substances. The presence of hazardous or toxic substances, or the failure to properly clean up such substances when present, could jeopardize our ability to develop, use, sell or rent our real property or to borrow using our real property as collateral. If we arrange for the disposal or treatment of hazardous or toxic wastes, we could be liable for the costs of removing or cleaning up wastes at the disposal or treatment facility, even if we never owned or operated that facility. Certain laws, ordinances, and regulations, particularly those governing the management or preservation of wetlands, coastal zones and threatened or endangered species, could limit our ability to develop, use, sell or rent our real property.

### ***Changes in weather conditions or natural disasters could adversely impact and materially affect our business, financial condition, and results of operations.***

Natural disasters, including wildfires, tsunamis, hurricanes, earthquakes and others, could damage our resort and real estate holdings, resulting in substantial repair or replacement costs to the extent not covered by insurance, a reduction in property values, or a loss of revenue, each of which could have a material adverse impact on our business, financial condition and results of operations. Our competitors may be affected differently by such changes in weather conditions or natural disasters depending on the location of their assets or operations. The wildfires in August 2023 devasted the town of Lahaina, Maui and negatively impacted tourism to the area and the local economy. We expect the aftermath of the wildfires to continue to impact commercial activity throughout the island of Maui, and there is uncertainty as to how long it will take Maui to rebuild, return tourism to historic levels, and recover economically. Until such time as commercial activity and tourism return to normal levels, the impact of the wildfires may continue to negatively impact operations.

### ***Our insurance coverages may be inadequate to cover any losses we incur.***

We maintain various insurance coverages for our business. We have engaged experts to assist us in the determination of our insurance policy terms, including coverage limits and deductibles, based on an evaluation of the level of potential risk, exposure and costs involved. This may result in insurance coverage that may not be sufficient to cover the full value of our losses in certain catastrophic or unforeseen circumstances. In addition, securing coverage in the event we file a claim under our insurance policies may involve substantial time, effort, resources, and the risk that the insurance carrier may deny or dispute coverage under the policy. Under such circumstances, we may not receive insurance proceeds or the insurance proceeds we receive may not fully cover business interruptions or losses and our operating results, liquidity and financial condition could be adversely affected.

### ***Unauthorized use of our trademarks could negatively impact our businesses.***

We have several trademarks that we have been registered in the United States and in several foreign countries. To the extent that our exclusive use of these trademarks is challenged, we intend to vigorously defend our rights. If we are not successful in defending our rights, our businesses could be adversely impacted.

### ***Market volatility of asset values and interest rates affect the funded status of our defined benefit pension plans and could, under certain circumstances, have a material adverse effect on our financial condition.***

We have a defined benefit pension plan which was frozen with respect to benefits and the addition of participants in 2011. The funded status and our ability to satisfy the future obligations of the plan is affected by, among other things, changes in interest rates, returns from plan asset investments, and actuarial assumptions including the life expectancies of the plan's participants. If we are unable to adequately fund or meet our future obligations with respect to the plan, our business, financial condition and results of operations may be adversely affected.

### ***Changes in U.S. accounting standards may adversely impact us.***

The regulatory boards and government agencies that determine financial accounting standards and disclosures in the U.S., including the Financial Accounting Standards Board ("FASB") and the International Accounting Standards Board ("IASB") (collectively, the "Boards") and the SEC, continually change and update the financial accounting standards we must follow.

Any difficulties in the implementation of changes in accounting principles, including the ability to modify our accounting systems and to update our policies, procedures, information systems, and internal controls over financial reporting, could result in materially inaccurate financial statements, which in turn could harm our operating results or cause us to fail to meet our reporting obligations. The adoption of new accounting standards could also affect the calculation of our credit facility covenants. We cannot be assured that we will be able to work with our lenders to amend our credit facility covenants in response to changes in accounting standards.

## [Table of Contents](#)

***Security incidents through cyber-attacks, cyber intrusions, or other methods could disrupt our information technology networks and related systems, cause a loss of assets or loss of data, give rise to remediation or other expenses, expose us to liability under federal and state laws, and subject us to litigation and investigations, which could result in substantial reputational damage and materially and adversely affect our business, financial condition, results of operations, cash flows, and the market price of our common stock.***

Information technology, communication networks, and related systems are essential to the operation of our business. We use these systems to manage our tenant, vendor and customer relationships, internal communications, accounting and record-keeping systems, and many other key aspects of our business. Our operations rely on the secure processing, storage, and transmission of confidential and other information in our computer systems and networks, which also depend on the strength of our procedures and the effectiveness of our internal controls.

A security incident may occur through physical break-ins, breaches of our secure network by an unauthorized party, software vulnerabilities, malware, computer viruses, attachments to emails, employee theft or misuse, social engineering, or inadequate use of security controls. Outside parties may attempt to fraudulently induce our employees to disclose sensitive information or transfer funds via illegal electronic spamming, phishing, spoofing or other tactics. Additionally, cyber attackers can develop and deploy malware, credential theft or guessing tools, and other malicious software programs to gain access to sensitive data or fraudulently obtain assets we hold.

We have implemented security measures to safeguard our systems and data and to manage cyber security risk. We monitor and develop our information technology networks and infrastructure and invest in the development and enhancement of our controls designed to prevent, detect, address, and mitigate the risk of unauthorized access, misuse, computer viruses, and other events that could have a security impact. We conduct periodic security awareness trainings for our employees to educate them on how to identify and alert management regarding phishing emails, spoofed or manipulated electronic communications, and other critical security threats. We have implemented internal controls around our treasury function including enhanced payment authorization procedures, verification requirements for new vendor set-up and vendor information changes and bolstered outgoing payment notification processes and account reconciliation procedures.

While, to date, we are not aware of having experienced a significant security incident or cyber-attack, there can be no assurance that our actions, security measures, and controls designed to prevent, detect, or respond to intrusion; to limit access to data; to prevent loss, destruction, alteration, or exfiltration of business information; or to limit the negative impact from such attacks can provide absolute security against a security incident.

A principal reason that we cannot provide absolute protection from security incidents is that it may not always be possible to anticipate, detect, or recognize threats to our systems, or to implement effective preventive measures against all security incidents due to, among other things, the frequent change in techniques used in cyber-attacks, which may not be recognized until launched, and the wide variety of sources from which a cyber-attack can originate. We may not be able to immediately address the consequences of a security incident due to a cyber-attack.

The extent of a particular cyber-attack and the steps that we may need to take to investigate the attack may not be immediately clear. Therefore, in the event of an attack, it may take a significant amount of time before such an investigation can be completed. During an investigation, we may not necessarily know the extent of the damage incurred or how best to remediate it, and certain errors or actions could be repeated or compounded before they are discovered and remediated, which could further increase the costs and consequences of a cyber-attack.

Even if we are not targeted directly, cyber-attacks on the U.S. government, financial markets, financial institutions, or other businesses, including our tenants, vendors, software creators, cloud providers, and other third parties with whom we do business, could disrupt our normal business operations and networks.

We maintain insurance to protect ourselves against certain losses incurred in the event of a security incident or disruption of our information systems. However, we cannot be certain that the coverage will be adequate to compensate us for all damages that may arise. In addition, we cannot be certain that such insurance coverages will remain available to us in the future on commercially reasonable terms, or at all.

### **Risks Related to Indebtedness**

***We have entered into a credit agreement for a \$15.0 million revolving line of credit facility with a bank. The credit facility has a maturity date of December 31, 2025 and its terms include certain financial and operating covenants, which if we fail to satisfy, could accelerate our repayment obligations, and adversely affect our operations and financial results.***

The terms of our credit facility include covenants requiring among other things, a minimum of \$2.0 million in liquidity (as defined), a maximum of \$45.0 million in total liabilities and a limitation on new indebtedness. Our ability to continue to borrow under our credit facility to fund our business initiatives depends upon our ability to comply with these covenants.

Our business initiatives for the next twelve months include investing in our operating infrastructure and continued planning and pre-development efforts on our land development and sales projects. At times, this may require borrowing under our credit facility or other indebtedness, repayment of which may be dependent on selling of our real estate assets at acceptable prices in condensed timeframes.

## Table of Contents

Our indebtedness could have the effect of, among other things, increasing our exposure to general adverse economic and industry conditions, limiting our flexibility in planning for, or reacting to, changes in our business and industry, and limiting our ability to borrow additional funds.

### **Risks Relating to our Stock**

#### ***Our stock price has been subject to significant volatility.***

During the year ended December 31, 2023, the low and high share prices of our common stock ranged from \$8.66 to \$16.09. Our stock price has been, and may continue to be, subject to significant volatility. Among others, including the risks and uncertainties discussed in this Annual Report, the following factors, some of which are out of our control, may cause the market price of our common stock to continue to be volatile:

- our quarterly or annual earnings or those of other companies in our industry;
- actual or unanticipated fluctuations in our operating results;
- the relatively low volume of trading in our stock; and
- the lack of significant securities analysts' coverage of our stock.

Fluctuations in the price of our common stock may also be exacerbated by economic and other conditions in Maui in particular, or conditions in the financial markets generally.

#### ***Share ownership by our affiliates make it more difficult for third parties to acquire us or effectuate a change of control that might be viewed favorably by other stockholders.***

Affiliates of our company owned, in the aggregate, a majority of our outstanding shares at December 31, 2023. As a result, if these affiliates were to oppose a third party's acquisition proposal for, or a change in control of, the Company, these affiliates may have sufficient voting power to be able to block or at least delay such an acquisition or change in control from taking place, even if other stockholders would support such a sale or change of control.

#### ***Trading in our stock over the last twelve months has been limited, so investors may not be able to sell as much stock as they want at prevailing prices.***

The average daily trading volume in our common stock for the year ended December 31, 2023 was approximately 26,000 shares. If limited trading in our stock continues, it may be difficult for investors to sell their shares in the public market at any given time at prevailing prices. Moreover, the market price for shares of our common stock may be made more volatile because of the relatively low volume of trading in our common stock. When trading volume is low, significant price movement can be caused by the trading in a relatively small number of shares. Volatility in our common stock could cause stockholders to incur substantial losses.

#### ***We do not anticipate declaring any cash dividends on our common stock.***

We have not declared or paid regular cash dividends on our common stock. Our current policy is to retain all funds and any earnings for use in the operation and expansion of our business. The payment of cash dividends by us is restricted by our credit facility which contains covenants prohibiting us from paying any cash dividends without the lender's prior approval. If we do not pay dividends, our stock may be less valuable to you because a return on your investment will only occur if our stock price appreciates.

#### ***If we do not meet the continued listing requirements of the NYSE, our common stock may be delisted.***

Our common stock is currently listed on the NYSE. If we are unable to maintain compliance with the NYSE's continued listing standards the NYSE may take action to delist our common stock. Delisting could negatively impact us by, among other things, reducing the liquidity and market price of our common stock, reducing the number of investors willing to hold or acquire our common stock, and limiting our ability to issue additional securities or obtain additional financing in the future, and might negatively impact our reputation and, consequently, our business. In addition, if our common stock is delisted, it would violate the covenants of our credit facility.

## [Table of Contents](#)

***We may need additional funds which, if available, could result in significant dilution to our stockholders, have superior rights to our common stock and contain covenants that restrict our operations.***

If unanticipated contingencies or other unforeseen circumstances arise, it may be necessary for us to raise additional capital either through public or private equity or debt financing. We cannot say with any certainty that we will be able to obtain the additional needed funds on reasonable terms, or at all. If we were to raise capital through the issuance of our common stock or securities convertible or exercisable into our common stock, our existing stockholders may suffer significant dilution. If we issued preferred equity or debt securities, these securities could have rights superior to holders of our common stock and could contain covenants that will restrict our operations. If additional funds are raised through a bank credit facility or the issuance of debt securities, the holder of such indebtedness would have rights senior to the rights of equity holders and the terms of such indebtedness could impose restrictions on our operations.

### **Item 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

### **Item 1C. CYBERSECURITY**

#### **Risk management and strategy**

We have implemented and maintain various information security processes designed to identify, assess, and manage material risks from cybersecurity threats to our critical computer networks, third party hosted services, communications systems, hardware and software, and our critical data, including intellectual property, confidential information that is proprietary, strategic, or competitive in nature, customer data, and the personal information of our employees (collectively, "Information Systems and Data").

Our IT Manager, along with the information security and technical consultants hired by us, help identify, assess, and manage our cybersecurity threats and risks. They work to identify and assess risks from cybersecurity threats by monitoring and evaluating the threat environment using various methods including manual and automated tools, subscribing to reports and services that identify cybersecurity threats, evaluating our and our industry's risk profile, conducting audits and threat assessments, conducting vulnerability assessments, and external threat intelligence.

Depending on the environment, system, and data, we implement and maintain certain technical and organizational measures, processes, standards and policies designed to manage and mitigate material risks from cybersecurity threats to our Information Systems and Data, including, for example: incident response procedures, vulnerability management process, disaster recovery/business continuity plans, encryption, network security controls, user access controls including multifactor authentication and role-based access, data segregation, asset management, systems monitoring, vendor risk management program, employee training, penetration testing and cybersecurity insurance.

Our assessment and management of material risks from cybersecurity threats are integrated into our overall risk management processes, including by prioritizing our risk management processes and mitigating cybersecurity threats that are more likely to lead to a material impact to our business.

We use third-party service providers to assist us from time to time to identify, assess, and manage material risks from cybersecurity threats, including, for example, professional services firms, cybersecurity consultants, managed cybersecurity service providers, penetration testing firms, and forensics investigators as needed.

We also use third-party service providers to perform a variety of functions throughout our business, such as application providers, hosting companies, and various supply chain resources. We have a vendor management program to manage cybersecurity risks associated with our use of these providers which includes, depending on the vendor, nature of the services provided, and sensitivity of the Information Systems and Data at issue: different levels of assessment designed to help identify cybersecurity risks associated with the vendor, security questionnaires, review of security assessments, and imposition of contractual obligations related to cybersecurity.

We are subject to cybersecurity threats that could have a material adverse impact on our results of operations, financial condition, and liquidity, as further discussed in Item 1A "Risk Factors" under the headings "Risks Related to Our Business." We are not aware of having experienced any cybersecurity threats or incidents to date that have materially affected or are reasonably likely to materially affect our business, results of operation or financial condition.

#### **Governance**

Our board of directors oversees the Company's cybersecurity risk management as part of its general oversight function. The Audit committee is responsible for overseeing our cybersecurity risk management processes, including oversight of mitigation of risks from cybersecurity threats.

Our cybersecurity risk assessment and management processes are implemented and maintained by certain Company management, including our IT Manager, who has twenty-five years of experience.

## Table of Contents

### **Item 2. PROPERTIES**

Most of our land was acquired from 1911 to 1932 and, accordingly, has a relatively low-cost basis. The following is a summary of the approximate acreage of our landholdings as of December 31, 2023:

|                | <b>Acres</b>  |
|----------------|---------------|
| West Maui      | 20,800        |
| Upcountry Maui | 1,500         |
| <b>Total</b>   | <b>22,300</b> |

Our West Maui landholdings are comprised of several, largely contiguous parcels that extend from the sea to the top of the second largest mountain on Maui, at an elevation of approximately 5,700 feet. It includes approximately 900 acres of entitled lands within the 3,000-acre Kapalua Resort. Leasing revenue is generated from restaurants, retail outlets, office buildings, warehouses, and other resort activities. The remaining lands consist of former pineapple fields, gulches, undeveloped coastal and forest areas, and our 9,000-acre conservation watershed preserve. These properties generate leasing revenue from agricultural and industrial leases, management of water systems, sales of potable and non-potable water, and stewardship and conservation grants.

Our Upcountry Maui landholdings are situated at elevations between 1,000 and 2,000 feet above sea level on the slopes of Haleakala, a volcanic-formed mountain on the island that rises above 10,000 feet in elevation. These properties generate leasing revenue from commercial, industrial, and agricultural leasing.

We have pledged certain of our real estate properties in the Kapalua Resort as security for borrowings under our credit facility.

We own our corporate office located in the Kapalua Resort in West Maui. We believe our facilities are suitable and adequate for our business and have sufficient capacity for the purposes for which they are currently being used or intended to be used. For additional information, refer to the section entitled "Business" in this Annual Report.

### **Item 3. LEGAL PROCEEDINGS**

On December 31, 2018, the State of Hawai'i Department of Health ("DOH") issued a Notice and Finding of Violation and Order ("Order") for alleged wastewater effluent violations related to our Upcountry Maui wastewater treatment facility. The facility was built in the 1960's to serve approximately 200 single-family homes developed for workers in our former agricultural operations. The facility is made up of two 1.5-acre wastewater stabilization ponds and surrounding disposal leach fields. The Order includes, among other requirements, payment of a \$230,000 administrative penalty and improvements to the wastewater treatment plant.

The DOH agreed to defer the Order as we continue to work to resolve and remediate the facility's wastewater effluent issues through an approved corrective action plan. The construction of additional leach fields and installations of a surface aerator, sludge removal system, and natural pond cover using water plants were completed. Test results from wastewater monitoring indicate effluent concentration amounts within allowable ranges. A feasibility study was prepared and submitted identifying various technical solutions that could be implemented to resolve the Order. We submitted a plan and proposed solution to resolve the Order. The plan included the installation of an additional pond that will be lined and installed with aerators. One of the existing ponds will be lined and renovated as necessary and the other pond will be taken offline and used as a backup pond if needed. The Company is awaiting comments, feedback and approval from the State of Hawai'i at the time of filing the Form 10-K.

## [Table of Contents](#)

We have accrued approximately \$23,000 related to the administrative penalty as of December 31, 2023. We are presently unable to estimate the remaining amount, or range of amounts, of any probable liability, if any, related to the Order and no additional provision has been made in the accompanying financial statements.

From time to time, we are a party to various legal proceedings, disputes, and other claims, arising in the ordinary course of business. Although the results of these ordinary course matters cannot be predicted with certainty, we believe the final outcome of these ordinary course legal proceedings will not, individually or in the aggregate, have a material adverse effect on our operations, financial position or cash flows.

### **Item 4. MINE SAFETY DISCLOSURES**

Not applicable.

## **PART II**

### **Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

Our common stock is traded on the NYSE under the symbol "MLP." As of March 21, 2024, there were 224 stockholders of record of our common stock, which do not include beneficial owners of our common stock whose shares are held in the names of various securities brokers, dealers and registered clearing agencies.

#### **Dividend Policy**

We have not declared or paid any cash dividends on our common stock since March 2001. We currently do not anticipate declaring or paying any cash dividends.

#### **Unregistered Sales of Equity Securities**

None.

#### **Repurchases**

None.

### **Item 6. [RESERVED]**

### **Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis of our Annual Report on Form 10-K and audited consolidated financial statements and related notes are for the year ended December 31, 2023. The following discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those expressed or implied by the forward-looking statements below. Factors that could cause or contribute to those differences in our actual results include, but are not limited to, those discussed below and those discussed elsewhere within this Annual Report, particularly in the section entitled "*Cautionary Note Regarding Forward-Looking Statements*." Depending upon the context, the terms the "Company," "we," "our," and "us," refer to either Maui Land & Pineapple Company, Inc. alone, or to Maui Land & Pineapple Company, Inc. and its subsidiaries collectively.

#### **Overview**

Maui Land & Pineapple Company, Inc. is a Delaware corporation and the successor to a business organized in 1909 as a Hawai'i corporation. The Company reincorporated from Hawai'i to Delaware pursuant to a plan of conversion completed on July 18, 2022. Total authorized capital stock of the Company includes 48,000,000 shares, consisting of 43,000,000 shares of common stock, par value \$0.0001 per share, and 5,000,000 shares of preferred stock, par value \$0.0001 per share. Shares of the Company's common stock are listed on the New York Stock Exchange ("NYSE") under the ticker symbol "MLP."

We are a legacy company on Maui, energized by global best practices and local values. The Company owns and stewards approximately 22,300 acres of land on the island of Maui, Hawai'i along with approximately 268,000 square feet of commercial real estate. Our focus is activating our assets to their most productive use with a mission to meet critical needs and preserve a sense of place for future generations. We have identified critical needs as increasing housing inventory, job creation, water and food security, and renewed connection to people, place, and culture.

A leadership transition began in April 2023 with the addition of a CEO and Board Chair, both experienced in real estate planning, development, and asset management. Between April and December, the transition continued with the addition of three team members with planning, community development, and land management experience. In this new chapter for Maui Land & Pineapple Company, we will build capable, multi-disciplinary team of internal experts and external partners to become a considerate thought-leader who can turn vision into reality. We aim to build trust and deepen relationships through ongoing engagement with stakeholders, community, and other partners. This will enable us to implement scalable, disciplined business processes via a lean team to thoughtfully manage a growing pipeline of projects.

As an initial step by the new leadership team, we have audited our assets under management and available for lease and development. The initial results of this review identified opportunities to increase the level of utilization, occupancy, and stabilized income from our operating assets.

[Table of Contents](#)

As of December 31, 2023, our commercial properties and land were occupied at the following levels:

**Asset Management Summary (a non-GAAP financial measurement)**

| Commercial Real Estate (CRE) | Total<br>(square feet) | Leased         |            | Vacant        |            |
|------------------------------|------------------------|----------------|------------|---------------|------------|
|                              |                        | Sq. ft.        | Percent    | Sq. ft.       | Percent    |
| Industrial                   | 188,171                | 133,562        | 71%        | 54,609        | 29%        |
| Office                       | 10,105                 | 6,127          | 61%        | 3,978         | 39%        |
| Retail                       | 62,134                 | 56,783         | 91%        | 5,351         | 9%         |
| Residential                  | 7,339                  | 3,000          | 41%        | 4,339         | 59%        |
| <b>Total CRE</b>             | <b>267,749</b>         | <b>199,472</b> | <b>74%</b> | <b>68,277</b> | <b>26%</b> |

| Land                  | Total<br>(acres) | Leased       |            | Vacant        |            |
|-----------------------|------------------|--------------|------------|---------------|------------|
|                       |                  | Acres        | Percent    | Acres         | Percent    |
| Comm./Ind.            | 22               | 22           | 100%       | -             | 0%         |
| Residential/Mixed Use | 933              | 12           | 1%         | 921           | 99%        |
| Agriculture           | 10,981           | 3,596        | 33%        | 7,385         | 67%        |
| Conservation          | 10,350           | -            | 0%         | 10,350        | 100%       |
| <b>Total Land</b>     | <b>22,286</b>    | <b>3,630</b> | <b>16%</b> | <b>18,656</b> | <b>84%</b> |

To improve the stable operating revenue from our commercial real estate, we have updated tenanting plans for our properties, with a focus on placemaking in our town centers. Among other things, the plans include tenant improvements designed to improve occupancy and reposition spaces and land with tenancies at market rents. As these plans are implemented, we expect the occupancy of our existing land and commercial real estate portfolio to increase.

Our commercial real estate is located in three areas surrounded by our landholdings. Kapalua Village Center is a mixed-use, luxury coastal property offering spaces that foster convenience, well-being, adventure, and culture in the core of Kapalua Resort. Hali'imaile Town Center is adjacent to Makawao Town and houses an eclectic collection of local businesses, art galleries, and makers spaces, mixed with a renowned Hawai'i Regional Cuisine restaurant and a Maui distillery. Lastly, the 'Alaeloa Business Center is where agriculture meets adventure in the former pineapple base yard whose tenants primarily steward land and natural resources in West Maui.

To establish and execute our land utilization strategies, we intend to make investments in our internal and external teams to ensure we have the capabilities, market research, planning, engineering, and other consultant services necessary. Our primary goal is to establish executable strategies for the conversion of land from current uses to meet the long-term needs of the community, including the provision of land for agriculture and housing in a supply-constrained market. We also intend to identify non-strategic lands for sale and strategic land developments to advance to completion.

Our landholdings include residential, agricultural and conservation areas. Residential parcels include 83 acres within Kapalua Resort area, zoned for higher density, mixed-use, allowing more than 700 residential units, hospitality, and commercial uses. Also included in Kapalua Resort are 800 acres zoned for lower density residential use of approximately 650 homes. Agriculturally zoned parcels total 9,500 acres sitting on the slopes of West Maui, with another 1,400 acres sitting on the slopes of Upcountry Maui. All 10,350 acres of land in perpetual conservation are along the West Maui coastline, including the largest private nature preserve in Hawai'i where the focus is to ensure rainfall capture in the pristine native forest to replenish the aquifers.

[Table of Contents](#)

RESULTS OF OPERATIONS

*Comparison of Years Ended December 31, 2023 and 2022*

CONSOLIDATED

|  | Years Ended December 31, |                 |
|--|--------------------------|-----------------|
|  | 2023                     | 2022            |
| (in thousands except share amounts)              |                          |                 |
| <i>Operating revenues</i>                        | \$ 10,915                | \$ 20,960       |
| <i>Segment operating costs and expenses</i>      | (6,547)                  | (6,171)         |
| <i>General and administrative</i>                | (3,998)                  | (2,795)         |
| <i>Share-based compensation</i>                  | (2,846)                  | (1,278)         |
| <i>Depreciation</i>                              | (869)                    | (1,109)         |
| <i>Operating income</i>                          | (3,345)                  | 9,607           |
| <i>Other income</i>                              | 707                      | 71              |
| <i>Pension and other postretirement expenses</i> | (436)                    | (7,885)         |
| <i>Interest expense</i>                          | (6)                      | (6)             |
| <i>Net Income (Loss)</i>                         | <u>\$ (3,080)</u>        | <u>\$ 1,787</u> |
| <i>Net income (loss) per Common Share</i>        | \$ (0.15)                | \$ 0.09         |

LAND DEVELOPMENT AND SALES

|                                     | Years Ended December 31, |                  |
|-------------------------------------|--------------------------|------------------|
|                                     | 2023                     | 2022             |
| (in thousands)                      |                          |                  |
| <i>Operating revenues</i>           | \$ 1,626                 | \$ 11,600        |
| <i>Operating costs and expenses</i> | (595)                    | (1,026)          |
| <i>Operating income</i>             | <u>\$ 1,031</u>          | <u>\$ 10,574</u> |

Real estate operating revenues include the sales of our real estate inventory. The decrease in our consolidated operating income for the year ended December 31, 2023 compared to year ended December 31, 2022 was attributed to decreased sales of real estate inventory during the year.

In December 2023, we contributed approximately 30 acres of land in Upcounty Maui, valued at \$1.6 million to BRE2 LLC, a joint venture between the Company and Stone Properties for development and sales of ranch lots. There were no proceeds from the transaction as the land was an equity contribution to the joint venture and was recognized as real estate operating revenues. We anticipate sales of the ranch lots to be approximately \$4.1 million, and with approximately \$2.2 million being our share of sales proceeds, which we expect to occur in late 2024 to mid-2025.

In August 2023, we received a return of restricted cash, in the amount of \$20,000 that was held in escrow as part of a parcel sale transaction that did not close and was terminated in April 2023. The return of the \$20,000 cash was included in operating revenues.

There were no significant real estate development expenditures during the years ended December 31, 2023 and 2022, respectively.

Real estate development and sales are cyclical and depend on several factors. Results for one period are therefore not necessarily indicative of future performance trends in this business segment. Prior to the Maui wildfires which occurred on August 8, 2023, there was a shortage of primary housing supply on Maui. While the provision of land to generate primary housing and additional jobs was a priority of ours prior to the wildfires, the loss of over 2,000 homes and over 3,000 jobs in the Lahaina wildfire have accelerated our efforts to get land into productive use to meet these critical needs.

[Table of Contents](#)

LEASING

|                                     | Years Ended December 31, |          |
|-------------------------------------|--------------------------|----------|
|                                     | 2023                     | 2022     |
|                                     | (in thousands)           |          |
| <i>Operating revenues</i>           | \$ 8,461                 | \$ 8,513 |
| <i>Operating costs and expenses</i> | (4,420)                  | (3,598)  |
| <i>Operating income</i>             | \$ 4,041                 | \$ 4,915 |

Operating revenues from leasing activities for the year ended December 31, 2023, were comprised of \$5.9 million from commercial, industrial, and agricultural leases, \$0.8 million of licensing fees from our registered trademarks and trade names, \$ 1.5 million from potable and non-potable water system sales and \$0.3 million in grant revenue from the State of Hawai'i for conservation management of our Pu'u Kukui Watershed, compared to \$6.1 million from commercial, industrial, and agricultural leases, \$1.0 million of licensing fees from our registered trademarks and trade names, \$1.0 million from potable and non-potable water system sales and \$0.4 million for grant revenues from the State of Hawai'i for conservation management for the year ended December 31, 2022.

Certain rental income is contingent upon the sales of tenants exceeding a defined threshold and recognized as a percentage of sales after those thresholds are achieved. As the COVID-19 pandemic waned, visitor traffic to Maui was increasing and these percentage rents, leasing revenues in general and land licensing from adventure tourism tenants were returning to pre-pandemic levels until August 8, 2023, the date of the devastating Maui wildfires. The wildfires directly and critically impacted West Maui and took its toll on percentage rents and licensing revenues for tourism based tenants. Income recognized from percentage rents and land licensing in 2023 amounted to \$2.2 million as compared to \$2.9 million in 2022, a decrease of \$0.7 million as a direct impact of the wildfires. Tourist traffic has started increasing again post wildfire, and as a result, it is anticipated that percentage rents will return to pre-wildfire levels in 2024 to 2025.

The increase in leasing operating costs and expenses for the year ended December 31, 2023, compared to the year ended December 31, 2022, was primarily due to higher property maintenance costs for our commercial leasing portfolio properties and the hiring of a property management and leasing firm to grow our leasing portfolio and the associated start-up costs and fees.

Our leasing operations face substantial competition from other property owners in Maui and Hawai'i.

RESORT AMENITIES

|                                     | Years Ended December 31, |          |
|-------------------------------------|--------------------------|----------|
|                                     | 2023                     | 2022     |
|                                     | (in thousands)           |          |
| <i>Operating revenues</i>           | \$ 828                   | \$ 847   |
| <i>Operating costs and expenses</i> | (1,532)                  | (1,547)  |
| <i>Operating loss</i>               | \$ (704)                 | \$ (700) |

Our Resort Amenities segment includes the operations of the Kapalua Club, a private, non-equity club providing its members special programs, access and other privileges at certain of the amenities at the Kapalua Resort including a 30,000 square foot full-service spa and fitness center, a private pool-side dining beach club, and two 18-hole championship golf courses. The Kapalua Club does not own or operate any resort amenities and the member dues collected are primarily used to pay contracted fees to provide access for its members to the spa, beach club and other resort amenities.

The decrease in operating revenues for year ended December 31, 2023, compared to the year ended December 31, 2022, was due to the refunds of membership fees during a two-month period following the Maui wildfires on August 8, 2023 as Club operations were temporarily closed.

Contracted fee expenses increased for the year ended December 31, 2023, compared to the year ended December 31, 2022. However, with the closing of Club amenities as described above, the amenity fees were also suspended, resulting in a net decrease of operating costs in 2023 as compared to 2022.

The Club has undergone restructuring in 2023 and revised policies and practices have been implemented to reduce the impact of the amenity fees and to better match club dues with club expenses. The Club has begun accepting new membership applications beginning late 2023.

OTHER INCOME

Investment income of approximately \$0.5 million and \$0.1 million was earned from our money market and bond investment portfolio during the years ended December 31, 2023 and 2022, respectively

In July 2023, we received \$0.2 million of cash collateral returned from an owner-controlled insurance program of our partnership interest in Kapalua Bay Holdings, LLC ("KBH"). The investment was previously written down to zero in 2009.

PENSION EXPENSE

The termination notification of the Qualified Plan originally made on August 31, 2023, was amended to November 30, 2023. The change in timing provides for the Company to do lump sum payments, the total to be determined by participant election, in the third or fourth quarters of 2024 and final annuitization of plan participants to take place in the first or second quarters of 2025. An estimated settlement charge (GAAP expense) between \$7.0 million to \$8.0 million will be recognized at the time of final annuitization and plan termination.

In November 2022, we signed a purchase agreement with an insurer to annuitize the scheduled pension payments of certain plan participants. Approximately \$14.5 million were disbursed from plan assets for the group annuity contract. A settlement charge of \$7.5 million was recognized in pension expense for the year ended December 31, 2022 as a result of the annuity purchase.

## [Table of Contents](#)

### SHARE-BASED COMPENSATION PLANS

The Company accounts for share-based compensation, including grants of restricted shares of common stock and options to purchase common shares, as compensation expense over the respective vesting periods in the consolidated financial statements based on their fair values on the grant dates. The impact of forfeitures that may occur prior to vesting is estimated and considered in the expense recognized.

### INTEREST EXPENSE

There were no outstanding borrowings on our credit facility with a bank at December 31, 2023 and 2022. On December 31, 2023 and 2022, interest rates on our credit facility were 7.38% and 6.38%, respectively.

### LIQUIDITY AND CAPITAL RESOURCES

We had cash on hand of \$5.7 million and \$8.5 million at December 31, 2023 and 2022, respectively. We hold deposit accounts with several local banks in Hawai'i. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. We rely on the financial strength and stability of these banks and have no reason to believe that our deposits would be unavailable on demand.

Our investments consisted of corporate bond securities maturing over various dates through June 2025. The fair value of our investments was \$3.1 million at December 31, 2023. We intend to hold our bond investments until maturity.

We also had \$15.0 million of available credit under a revolving line of credit facility with First Hawaiian Bank (the "Bank") (the "Credit Facility") as of December 31, 2023 and 2022, respectively. In 2021, we executed a Fourth Loan Modification Agreement and Second Amended and Restated Credit Agreement (collectively the "Agreements") extending the maturity date of the Credit Facility to December 31, 2025. The Agreements provide revolving or term loan borrowing options. Interest on revolving borrowing is calculated based on the Bank's prime rate minus 1.125 percentage points. Interest on term loan borrowing is fixed at the Bank's commercial loan rates with interest rate swap options available. We have pledged approximately 30,000 square feet of commercial leased space in the Kapalua Resort as security for the Credit Facility. Net proceeds from the sale of any collateral are required to be repaid toward outstanding borrowings and will permanently reduce the Credit Facility's revolving commitment amount. There are no commitment fees on the unused portion of the Credit Facility. The terms of the Credit Facility include various representations, warranties, affirmative, negative, and financial covenants and events of default customary for financings of this type. Financial covenants include a minimum liquidity (as defined) of \$2.0 million, a maximum of \$45.0 million in total liabilities, and a limitation on new indebtedness.

We were in compliance with the covenants under the Credit Facility at December 31, 2023.

#### *Cash Flows*

Net cash flow provided by (used in) our operating activities totaled (\$1.4) million and \$6.3 million for the years ended December 31, 2023 and 2022, respectively.

Minimum funding contributions to our defined benefit pension plan were not required during the year ended December 31, 2023. A voluntary contribution of \$5.7 million was made during the year ended December 31, 2022. No minimum funding contributions are required in 2024.

Interest income from our investment portfolio was \$0.5 million and \$0.1 million during the years ended December 31, 2023 and 2022, respectively. Our bond investments yielded approximately 5.7% and 5.0% in aggregate at December 31, 2023 and 2022, respectively.

#### *Future Cash Inflows and Outflows*

The Company entered into a joint venture, BRE2 LLC with Stone Properties, a Hawai'i based LLC to develop and sell ranch lots in Hali'imaile, Hawai'i. We anticipate sales of the ranch lots to be \$4.1 million and \$2.2 million being our share of sales proceeds which will occur in late 2024 to mid 2025.

Land development costs to be capitalized are budgeted at \$0.9 million, maintenance and capital expenditures on the Company's operating assets are budgeted at \$1.3 million and capital expenditures to the Company's water assets and infrastructure is budgeted at \$3.4 million in 2024.

## [Table of Contents](#)

Our business initiatives include investing in our operating infrastructure and continued planning and entitlement efforts on our development projects. At times, this may require borrowing under our Credit Facility or other indebtedness, repayment of which may be dependent on selling of our real estate assets at acceptable prices in condensed timeframes. We believe our cash and investment balances, cash provided from ongoing operating activities, and available borrowings under our revolving credit facility, will provide sufficient liquidity to enable us to meet our working capital requirements, contractual obligations, and timely service our debt obligations for the next 12 months and the foreseeable longer term.

Our indebtedness could have the effect of, among other things, increasing our exposure to general adverse economic and industry conditions, limiting our flexibility in planning for, or reacting to, changes in our business and industry, and limiting our ability to borrow additional funds.

## CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our accounting policies are described in Note 1 to our financial statements set forth in Item 8 of this Annual Report. The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires the use of accounting estimates. Some of these estimates and assumptions involve a high level of subjectivity and judgment and therefore the impact of a change in these estimates and assumptions could materially affect the amounts reported in our financial statements. The accounting policies and estimates that we have identified as being critical to our financial statements are as follows:

- Our long-lived assets are reviewed for impairment if events or circumstances indicate that the carrying amount of the long-lived asset may not be recoverable. These asset impairment loss analyses contain uncertainties because they require management to make assumptions and apply considerable judgments to, among others, estimates of the timing and amount of future cash flows, expected useful lives of the assets, uncertainty about future events, including changes in economic conditions, changes in operating performance, changes in the use of the assets, and ongoing costs of maintenance and improvements of the assets; thus, the accounting estimates may change from period to period. If management uses different assumptions or if different conditions occur in future periods, our financial condition or future operating results could be materially impacted.
- Deferred development costs consist principally of predevelopment and offsite development costs related to various projects in the planning stages by our real estate segment. Based on our future development plans for the Kapalua Resort and other properties, and the estimated value of these future projects, we have concluded that our deferred development costs will be recoverable from our future development projects. Our assumptions and estimates could be subject to significant change because of the long-term nature of our development plans and the uncertainty of when or if certain projects will be developed.
- Assets are classified as held for sale when (i) management approves and commits to a plan to sell the property; (ii) the property is available for immediate sale in its present condition, subject only to terms that are usual and customary; (iii) an active program to locate a buyer and other actions required to complete the plan to sell have been initiated; (iv) the sale of the property is probable and is expected to be completed within one year; (v) the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Assets held for sale are stated at the lower of net book value or estimated fair value less cost to sell.
- Held-to-maturity debt securities are stated at amortized cost. Investments are reviewed for impairment by management on a periodic basis. If any impairment is considered other-than-temporary, the security is written down to its fair value and a corresponding loss recorded as a component of other income (expense). Management measures expected credit losses on held-to-maturity debt securities on a collective basis by major type. If there are anticipated credit losses a reserve for credit losses will be established and held to debt maturities will be presented net of the allowance. There were no accrued interest receivable on held-to-maturity debt securities at December 31, 2023.
- Sales of real estate assets that are considered central to our ongoing major operations are classified as real estate sales revenue, along with any associated cost of sales, in our consolidated statements of operations and comprehensive income. Sales of real estate assets that are considered peripheral or incidental transactions to our ongoing major or central operations are reflected as net gains or losses in our consolidated statements of operations and comprehensive income.
- If the sale of a real estate asset represents a strategic shift that has, or will have, a major effect on our operations, such as the discontinuance of a business segment, then the operations of the property, including any interest expense directly attributable to it, are classified as discontinued operations, and amounts for all prior periods presented are reclassified from continuing operations to discontinued operations. The disposal of an individual property generally will not represent a strategic shift and, therefore, will typically not meet the criteria for classification as discontinued operations. Real estate assets that would be considered for sale are remnant parcels that are not part of existing strategic development plans and projects.
- Determining pension expense and obligations for our defined benefit pension plan utilizes actuarial estimates of participants' age at retirement, life span, the long-term rate of return on investments and other factors. In addition, pension expense is sensitive to the discount rate utilized to value the pension obligation. These assumptions are subject to the risk of change as they require significant judgment and have inherent uncertainties that management or its consulting actuaries may not control or anticipate. A detailed discussion of our defined benefit pension plans is contained in Note 7 to our financial statements set forth in Item 8 of this Annual Report.

## Table of Contents

- Stock options were issued to the Chairman of the Board and the Board of Directors. With the option issuances, management engages with a certified valuation company to perform the valuation analysis and calculations based on option terms, number of shares issued, issuance share price, volatility, risk and historical trends with the options issuances. The valuation expense is reviewed and approved by the Company's Audit Committee and valuation expenses are recognized over the duration of the exercisable period of the issuances.
- Management calculates the income tax provision, current and deferred income taxes, and tax credits along with the valuation allowance based upon various complex estimates and interpretations of income tax laws and regulations. Deferred tax assets and tax credits are reduced by a valuation allowance to the extent that it is more likely than not that they will not be realized. To the extent we begin to generate taxable income in future years, and it is determined the valuation allowance is no longer required, the tax benefit for the remaining deferred tax assets and tax credits will be recognized at such time. A detailed discussion of our income taxes is contained in Note 12 to our financial statements set forth in Item 8 of this Annual Report.
- Our results of operations could be affected by significant litigation or contingencies adverse to the Company, including, but not limited to, liability claims, environmental matters, and contract terminations. We record accruals for legal matters when the information available indicates that it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. We make adjustments to these accruals to reflect the impact and status of negotiations, settlements, rulings, advice of legal counsel and other information and events that may pertain to a particular matter. Predicting the outcome of claims and lawsuits and estimating related costs and exposure involves substantial uncertainties that could cause actual costs to vary materially from those estimates. In making determinations of likely outcomes of litigation matters, we consider many factors. These factors include, but are not limited to, the nature of specific claims, our experience with similar types of claims, the jurisdiction in which the matter is filed, input from outside legal counsel, the likelihood of resolving the matter through alternative dispute resolution mechanisms and the matter's current status. A detailed discussion of significant litigation matters and contingencies is contained in Note 9 to our financial statements set forth in Item 8 of this Annual Report.

## IMPACT OF INFLATION AND CHANGING PRICES

Most land holdings we own were acquired from 1911 to 1932 and are carried at cost. At the Kapalua Resort, some of the fixed assets were constructed and placed in service in the mid-to-late 1970's. Depreciation expense would be considerably higher if fixed assets were stated at current replacement cost.

## OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2023, we did not have any significant off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K.

## **Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are a smaller reporting company, as defined in Item 10(f)(1) of Regulation S-K and are not required to provide the information required by this Item.

**Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Stockholders of  
Maui Land & Pineapple Company, Inc.

***Opinion on the Consolidated Financial Statements***

We have audited the accompanying consolidated balance sheets of Maui Land & Pineapple Company, Inc. and its Subsidiaries (collectively, the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive income (loss), changes in stockholders' equity, and cash flows for each of the years in the two-year period ended December 31, 2023 and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022, and the results of their operations and their cash flows for each of the years in the two-year period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

The consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the U.S. Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

***Critical Audit Matters***

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

**Revenue Recognition**

***Description of the Matter***

The Company has multiple revenue streams including real estate sales, leasing and licensing arrangements, and resort amenities, which are recognized upon transfer of goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services.

Significant judgment is exercised by management in determining revenue recognition for these customer agreements, and may include the following:

- Determination of whether agreements entered into by the Company are contracts with a customer that would be assessed under Accounting Standards Codification ("ASC") *Topic 606, Revenue from Contracts with Customers*, or lease contracts that would be assessed under ASC *Topic 842, Leases*.

## Table of Contents

- Determination of whether there is a single or multiple, distinct performance obligation for goods or services to be provided.
- The pattern of delivery for each performance obligation.
- Identification and treatment of contract terms that may impact the timing and amount of revenue recognized.
- Determination of stand-alone selling prices for each distinct performance obligation and for goods and services that are not sold separately.

Given the factors, the related audit effort in evaluating management's judgments in determining revenue recognition for these customer and lease agreements was extensive and involved subjective estimation and complex auditor judgment.

### *How We Addressed the Matter in Our Audit*

Our audit procedures over revenue recognition and disclosures included the following:

- We obtained an understanding and evaluated the design and implementation of internal controls that address the risks of material misstatement relating to revenue recognized for various revenue streams, including for unique transactions.
- We evaluated management's significant accounting policies related to these customer agreements for reasonableness.
- For significant agreements, we obtained and read the agreements; evaluated management's assumptions used to identify appropriate contracts with customers, identify performance obligations and stand-alone prices for each distinct performance obligation, identify unique contract terms that may impact the timing and amount of revenue recognized, and identify the pattern of delivery; and examined the appropriateness of management's application of accounting policies in accordance with ASC Topics 606 and 842.

## Commitments and Contingencies

### *Description of the Matter*

The Company is party to claims that arise in the normal course of business. Contingent liabilities are recorded in the consolidated financial statements when management determines it is probable that a liability has been incurred and the amount can be reasonably estimated. This determination requires significant judgment by management.

In assessing whether the Company should accrue a liability in its consolidated financial statements as a result of the claims, the Company considers various factors, including the legal and factual circumstances of the claims and advisement from legal counsel. As discussed in Note 9 to the consolidated financial statements, management determined an accrual was necessary. Management is unable to estimate the remaining amount or range of amounts, of any additional probable liability, if any, related to the claims.

We identified these potential contingent liabilities and disclosures as a critical audit matter because evaluating the likelihood of potential outcomes involves significant judgment by management. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the Company's assertion that an additional loss is not probable and reasonably estimable as of December 31, 2023.

### *How We Addressed the Matter in Our Audit*

Our audit procedures related to the potential contingent liabilities and disclosures included the following:

- We obtained an understanding and evaluated the design and implementation of internal controls that address the risks of material misstatement relating to management's review of the claims and approval of the accounting treatment based on the most recent facts and circumstances.

## Table of Contents

- We obtained and evaluated legal confirmations from the Company's external legal counsel involved in the claims confirming the facts and circumstances of the claims and to understand the basis for management's conclusion that any additional losses from the claims are not probable and reasonably estimable as of December 31, 2023.
- We evaluated the accuracy and completeness of management's disclosures in the consolidated financial statements by comparing the disclosures to management's internal analysis of the claims and known facts of the claims based on the information provided by the Company's external legal counsel.

## **Accrued Retirement Benefits**

### *Description of the Matter*

The Company has defined benefit retirement plans that require actuarial valuations to determine estimated benefit obligations and related amounts reported in the Company's consolidated financial statements as of and for the year ended December 31, 2023. Management engages actuarial specialists to perform the valuation and provides the specialists with the assumptions used to measure the amounts reported in the consolidated financial statements and disclosures in the notes to the consolidated financial statements.

We identified the valuation of the accumulated retirement benefit obligation as a critical audit matter because of the highly judgmental nature of actuarial assumptions made by management. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures.

### *How We Addressed the Matter in Our Audit*

Our audit procedures over accrued retirement benefits and related amounts and disclosures included the following:

- We obtained an understanding and evaluated the design and implementation of internal controls that address the risks of material misstatement relating to management's review of the determination of the actuarial assumptions used in calculating accrued retirement benefits and related amounts.
- We evaluated the reasonableness of the methods and significant assumptions used by management and assessed the work and competency of the third-party actuarial specialists engaged by management.
- We evaluated management specialists' reports related accrued retirement benefits for accuracy and reasonableness.

## **Share-based Compensation**

### *Description of the Matter*

In 2023, the Company began awarding stock options to its directors. The stock options require fair value calculations to determine the share-based compensation expense for the year ended December 31, 2023. Management engages valuation specialists to perform the stock option valuations and reviews the assumptions by the specialists used to measure the amounts reported in the consolidated financial statements and disclosures in the notes to the consolidated financial statements.

We identified the valuation of the share-based compensation as a critical audit matter because of the highly judgmental nature of valuation assumptions made by management for stock options awarded. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures.

### *How We Addressed the Matter in Our Audit*

Our audit procedures over share-based compensation expense and related amounts and disclosures included the following:

- We obtained an understanding and evaluated the design and implementation of internal controls that address the risks of material misstatement relating to management's review of the determination of the valuation assumptions used in calculating share-based compensation expense and related amounts.
- We evaluated the reasonableness of the methods and significant assumptions used by management and assessed the work and competency of the third-party valuation specialists engaged by management.
- We evaluated management specialists' reports related to the stock options valuation for accuracy and reasonableness.

We have served as the Company's auditor since 2014.

/s/ ACCUITY LLP  
Honolulu, Hawai'i  
March 28, 2024

MAUI LAND & PINEAPPLE COMPANY, INC. & SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

|  | December 31,                     |                  |
|--|----------------------------------|------------------|
|  | 2023                             | 2022             |
|  | (in thousands except share data) |                  |
| <b>ASSETS</b>  |                                  |                  |
| <b>CURRENT ASSETS</b>  |                                  |                  |
| Cash and cash equivalents  | \$ 5,700                         | \$ 8,499         |
| Cash, restricted   | - 10                             |                  |
| Accounts receivable, net   | 1,166                            | 892              |
| Investment in bond securities, current portion   | 2,671                            | 2,432            |
| Prepaid expenses and other assets  | 467                              | 368              |
| Assets held for sale   | -                                | 3,019            |
| <b>Total Current Assets</b>  | <b>10,004</b>                    | <b>15,220</b>    |
| <b>PROPERTY &amp; EQUIPMENT</b>  |                                  |                  |
| Land   | 5,052                            | 5,052            |
| Land improvements  | 13,853                           | 12,943           |
| Buildings  | 22,869                           | 22,869           |
| Machinery and equipment  | 10,500                           | 10,360           |
| <b>Total Property &amp; Equipment</b>  | <b>52,274</b>                    | <b>51,224</b>    |
| Less accumulated depreciation  | (36,215)                         | (35,346)         |
| <b>Property &amp; Equipment, net</b>   | <b>16,059</b>                    | <b>15,878</b>    |
| <b>OTHER ASSETS</b>  |                                  |                  |
| Investment in bond securities, less current portion  | 464                              | 551              |
| Investment in joint venture  | 1,608                            | -                |
| Deferred development costs   | 12,815                           | 9,566            |
| Other noncurrent assets  | 1,273                            | 1,191            |
| <b>Total Other Assets</b>  | <b>16,160</b>                    | <b>11,308</b>    |
| <b>TOTAL ASSETS</b>  | <b>\$ 42,223</b>                 | <b>\$ 42,406</b> |
| <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>  |                                  |                  |
| <b>LIABILITIES</b>   |                                  |                  |
| <b>CURRENT LIABILITIES</b>   |                                  |                  |
| Accounts payable   | \$ 1,154                         | \$ 589           |
| Payroll and employee benefits  | 502                              | 869              |
| Accrued retirement benefits, current portion   | 142                              | 142              |
| Deferred revenue, current portion  | 217                              | 227              |
| Other current liabilities  | 465                              | 480              |
| <b>Total Current Liabilities</b>   | <b>2,480</b>                     | <b>2,307</b>     |
| <b>LONG-TERM LIABILITIES</b>   |                                  |                  |
| Accrued retirement benefits  | 1,550                            | 2,612            |
| Deferred revenue, less current portion   | 1,367                            | 1,500            |
| Deposits   | 2,108                            | 2,185            |
| Other noncurrent liabilities   | 14                               | 30               |
| <b>Total Long-Term Liabilities</b>   | <b>5,039</b>                     | <b>6,327</b>     |
| <b>TOTAL LIABILITIES</b>   | <b>7,519</b>                     | <b>8,634</b>     |
| <b>COMMITMENTS &amp; CONTINGENCIES</b>   |                                  |                  |
| <b>STOCKHOLDERS' EQUITY</b>  |                                  |                  |
| Common stock--\$.0001 par value at December 31, 2023 and 2022, respectively; 43,000,000 shares authorized; 19,615,350 and 19,476,671 shares issued and outstanding at December 31, 2023 and 2022, respectively | 84,680                           | 83,392           |
| Additional paid in capital   | 10,538                           | 9,184            |
| Accumulated deficit  | (53,617)                         | (50,537)         |
| Accumulated other comprehensive loss   | (6,897)                          | (8,267)          |
| <b>Total Stockholders' Equity</b>  | <b>34,704</b>                    | <b>33,772</b>    |
| <b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>  | <b>\$ 42,223</b>                 | <b>\$ 42,406</b> |

See Notes to Consolidated Financial Statements

MAUI LAND & PINEAPPLE COMPANY, INC. & SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS  
AND COMPREHENSIVE INCOME (LOSS)

|  | Years Ended December 31, |                 |
|--|--------------------------|-----------------|
|  | 2023                     | 2022            |
| (in thousands except per<br>share amounts)               |                          |                 |
| <b>OPERATING REVENUES</b>                                |                          |                 |
| Real estate  | \$ 1,626                 | \$ 11,600       |
| Leasing  | 8,461                    | 8,513           |
| Resort amenities and other                               | 828                      | 847             |
| <b>Total Operating Revenues</b>                          | <b>10,915</b>            | <b>20,960</b>   |
| <b>OPERATING COSTS AND EXPENSES</b>                      |                          |                 |
| Real estate  | 595                      | 1,026           |
| Leasing  | 4,420                    | 3,598           |
| Resort amenities and other                               | 1,532                    | 1,547           |
| General and administrative                               | 3,998                    | 2,795           |
| Share-based compensation                                 | 2,846                    | 1,278           |
| Depreciation   | 869                      | 1,109           |
| <b>Total Operating Costs and Expenses</b>                | <b>14,260</b>            | <b>11,353</b>   |
| <b>OPERATING INCOME (LOSS)</b>                           | <b>(3,345)</b>           | <b>9,607</b>    |
| Other income   | 707                      | 71              |
| Pension and other post-retirement expenses               | (436)                    | (7,885)         |
| Interest expense   | (6)                      | (6)             |
| <b>NET INCOME (LOSS)</b>                                 | <b>(3,080)</b>           | <b>1,787</b>    |
| Pension, net of income taxes of \$ 0                     | 1,370                    | 7,381           |
| <b>TOTAL COMPREHENSIVE INCOME (LOSS)</b>                 | <b>\$ (1,710)</b>        | <b>\$ 9,168</b> |
| <b>INCOME (LOSS) PER COMMON SHARE--BASIC AND DILUTED</b> | <b>\$ (0.15)</b>         | <b>\$ 0.09</b>  |

See Notes to Consolidated Financial Statements

**MAUI LAND & PINEAPPLE COMPANY, INC. & SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**For the Years Ended December 31, 2023 and 2022**

(in thousands)

|                                       | Common Stock  |                  | Additional<br>Paid in<br>Capital |                    | Accumulated<br>Deficit | Accumulated<br>Other<br>Comprehensive<br>Loss | Total   |
|---------------------------------------|---------------|------------------|----------------------------------|--------------------|------------------------|---|---------|
|                                       | Shares        | Amount           |                                  |                    |                        |   |         |
| Balance, January 1, 2022              | 19,383        | \$ 82,378        | \$ 9,184                         | \$ (52,324)        | \$ (15,648)            | \$ 23,590                                     |         |
| Share-based compensation expense      |               |                  | 855                              |                    |                        |   | 855     |
| Issuance of shares for incentive plan | 49            | 494              |                                  |                    |                        |   | 494     |
| Vested restricted stock issued        | 78            | 855              | (855)                            |                    |                        |   | -       |
| Shares canceled to pay tax liability  | (33)          | (335)            |                                  |                    |                        |   | (335)   |
| Other comprehensive income-pension    |               |                  |                                  |                    | 7,381                  |   | 7,381   |
| Net income                            |               |                  |                                  | 1,787              |                        |   | 1,787   |
| Balance, December 31, 2022            | <u>19,477</u> | <u>\$ 83,392</u> | <u>\$ 9,184</u>                  | <u>\$ (50,537)</u> | <u>\$ (8,267)</u>      | <u>\$ 33,772</u>                              |         |
| Share-based compensation expense      |               |                  | 2,596                            |                    |                        |   | 2,596   |
| Issuance of shares for incentive plan | 67            | 620              |                                  |                    |                        |   | 620     |
| Vested restricted stock issued        | 123           | 1,242            | (1,242)                          |                    |                        |   | -       |
| Shares canceled to pay tax liability  | (52)          | (574)            |                                  |                    |                        |   | (574)   |
| Other comprehensive income-pension    |               |                  |                                  |                    | 1,370                  |   | 1,370   |
| Net loss                              |               |                  |                                  | (3,080)            |                        |   | (3,080) |
| Balance, December 31, 2023            | <u>19,615</u> | <u>\$ 84,680</u> | <u>\$ 10,538</u>                 | <u>\$ (53,617)</u> | <u>\$ (6,897)</u>      | <u>\$ 34,704</u>                              |         |

See Notes to Consolidated Financial Statements

MAUI LAND & PINEAPPLE COMPANY, INC. & SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

|  | Years Ended December 31, |                 |
|--|--------------------------|-----------------|
|  | 2023                     | 2022            |
|  | (in thousands)           |                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                          |                 |
| Cash receipts from customers and other receipts  | \$ 9,846                 | \$ 20,916       |
| Cash paid to vendors   | (8,792)                  | (13,296)        |
| Cash paid for payroll and taxes  | (2,425)                  | (1,357)         |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>   | <b>(1,371)</b>           | <b>6,263</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                          |                 |
| Purchases of bond securities   | (3,107)                  | (3,079)         |
| Maturities of bond securities  | 2,955                    | 97              |
| Purchases of property and equipment  | (618)                    | -               |
| Payments for other assets  | (94)                     | (33)            |
| <b>NET CASH USED IN INVESTING ACTIVITIES</b>   | <b>(864)</b>             | <b>(3,015)</b>  |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |                          |                 |
| Common stock issuance costs and other  | (574)                    | (335)           |
| <b>NET CASH USED IN FINANCING ACTIVITIES</b>   | <b>(574)</b>             | <b>(335)</b>    |
| <b>NET INCREASE (DECREASE) IN CASH</b>   | <b>(2,809)</b>           | <b>2,913</b>    |
| <b>CASH AND RESTRICTED CASH AT BEGINNING OF YEAR</b>   | <b>8,509</b>             | <b>5,596</b>    |
| <b>CASH AND RESTRICTED CASH AT END OF YEAR</b>   | <b>\$ 5,700</b>          | <b>\$ 8,509</b> |
| <b>RECONCILIATION OF NET INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b> |                          |                 |
| Net income (loss)  | \$ (3,080)               | \$ 1,787        |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: |                          |                 |
| Depreciation and amortization  | 785                      | 1,116           |
| Bad debt provision   | 142                      | 28              |
| Share-based compensation   | 2,596                    | 855             |
| Gain on disposal of property   | (1,608)                  | -               |
| Cost of real estate sales  | -                        | 167             |
| Changes in operating assets and liabilities:   |                          |                 |
| Accounts receivable  | (416)                    | 183             |
| Retirement liabilities   | 308                      | 2,056           |
| Accounts payable   | 102                      | 9               |
| Other operating assets and liabilities   | (200)                    | 62              |
| <b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>   | <b>\$ (1,371)</b>        | <b>\$ 6,263</b> |

SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:

- Common stock issued to certain members of the Company's management totaled \$ 0.6 million and \$0.5 million during the years ended December 31, 2023 and 2022, respectively.
- Capitalized property, equipment, and development costs in accounts payable were \$0.5 million at December 31, 2023.

See Notes to Consolidated Financial Statements.

**MAUI LAND & PINEAPPLE COMPANY, INC. & SUBSIDIARIES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**For the Years Ended December 31, 2023 and 2022**

**1. DESCRIPTION OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES**

**DESCRIPTION OF BUSINESS**

Maui Land & Pineapple Company, Inc. is a Delaware corporation and the successor to a business organized in 1909 as a Hawaii corporation. The Company reincorporated from Hawaii to Delaware pursuant to a plan of conversion completed on July 18, 2022. Total authorized capital stock of the Company includes 48,000,000 shares, consisting of 43,000,000 shares of common stock, par value \$0.0001 per share, and 5,000,000 shares of preferred stock, par value \$0.0001 per share. Shares of the Company's common stock are listed on the New York Stock Exchange under the ticker symbol "MLP." The Company consists of a landholding and operating parent company, has a principal subsidiary, Kapalua Land Company, Ltd., and certain other subsidiaries (collectively, the "Company"). The Company owns approximately 22,300 acres of land and 268,000 square feet of commercial property on the island of Maui, Hawaii, which we put into productive use by planning, managing, developing, and selling, residential, resort, commercial, agricultural, and industrial real estate through the following business segments:

**Land Development & Sales:** Our real estate operations consist of land planning and entitlement, development, and sales activities.

**Leasing:** Our leasing operations include commercial, agricultural, and industrial land and property leases, licensing of our registered trademarks and trade names, management of potable and non-potable water systems in West and Upcountry Maui, and stewardship of conservation areas.

**Resort Amenities:** We manage the operations of the Kapalua Club, a private, non-equity club program providing our members special programs, access, and other privileges at certain amenities at the Kapalua Resort.

**BASIS OF ACCOUNTING AND CONSOLIDATION**

The accompanying consolidated financial statements of the Company are presented in conformity with generally accepted accounting principles in the United States of America ("GAAP") as codified by the Financial Accounting Standards Board ("FASB"). The consolidated financial statements include the accounts of Maui Land & Pineapple Company, Inc. and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

**CASH AND CASH EQUIVALENTS**

Cash and cash equivalents include cash on hand, deposits in banks, and money market funds.

**RESTRICTED CASH**

Restricted cash consisted of deposits held in escrow from the prospective buyer of a property held for sale.

**ACCOUNTS RECEIVABLE AND ALLOWANCE FOR CREDIT LOSSES**

Receivables are recorded net of an allowance for credit losses. The Company estimates future write-offs based on delinquencies, credit ratings, aging trends, and historical experience. The Company believes the allowance for doubtful accounts is adequate to cover anticipated losses; however, significant deterioration in any of the aforementioned factors or in general economic conditions could change these expectations, and accordingly, the Company's consolidated financial condition and/or its future operating results could be materially impacted. Credit is extended after evaluating creditworthiness and no collateral is generally required from customers.

## [Table of Contents](#)

### INVESTMENT IN BOND SECURITIES

Held-to-maturity debt securities are stated at amortized cost. Investments are reviewed for impairment for each reporting period. If any impairment is considered other-than-temporary, an allowance for credit loss would be established and held-to-maturity debt securities will be presented net of the credit loss allowance. Adjustments to expected credit losses are recorded as a component of other income (expense).

### ASSETS HELD FOR SALE

Assets are classified as held for sale when management approves and commits to a plan to sell the property; the property is available for immediate sale in its present condition, subject only to terms that are usual and customary; an active program to locate a buyer and other actions required to complete the plan to sell have been initiated; the sale of the property is probable and is expected to be completed within one year; the property is being actively marketed for sale at a price that is reasonable in relation to its current fair value; and actions necessary to complete the plan of sale indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Assets held for sale are stated at the lower of net book value or estimated fair value less cost to sell. There were no impairments of assets held for sale during the years ended December 31, 2023 or 2022.

### DEFERRED DEVELOPMENT COSTS

Deferred development costs consist primarily of design, entitlement and permitting fees and real estate development costs related to various planned projects. Deferred development costs are written off if management decides that it is no longer probable that the Company will proceed with the related development project. There were no impairments of deferred development costs during the years ended December 31, 2023 or 2022.

### INVESTMENT IN JOINT VENTURES

Investments in joint ventures are accounted for under the equity method of accounting. The initial capital contribution of assets to a joint venture is recorded at fair value.

### PROPERTY & EQUIPMENT AND DEPRECIATION

Property is stated at cost. Major replacements, renewals and betterments are capitalized while maintenance and repairs that do not improve or extend the life of an asset are charged to expense as incurred. When property is retired or otherwise disposed of, the cost of the property and the related accumulated depreciation are written off and the resulting gains or losses are included in income. Depreciation is provided over the estimated useful lives of the respective assets using the straight-line method generally over three to 40 years.

### LONG-LIVED ASSETS

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When such events or changes occur, an estimate of the future cash flows expected to result from the use of the assets and their eventual disposition is made. If the sum of such expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized in an amount by which the assets' net book values exceed their fair value. These asset impairment loss analyses require management to make assumptions and apply considerable judgments regarding, among others, estimates of the timing and amount of future cash flows, expected useful lives of the assets, uncertainty about future events, including changes in economic conditions, changes in operating performance, changes in the use of the assets, and ongoing cost of maintenance and improvements of the assets, and thus, the accounting estimates may change from period to period. If management uses different assumptions or if different conditions occur in future periods, the Company's consolidated financial condition or its future operating results could be materially impacted.

### ACCRUED RETIREMENT BENEFITS

The Company's policy is to fund retirement benefit costs at a level at least equal to the minimum funding requirements under federal law, but not more than the maximum amount deductible for federal income tax purposes.

The funded status of the Company's defined benefit pension plan is recorded as an asset or liability in the consolidated balance sheet reflecting the difference between the fair value of plan assets and the projected benefit obligation. Changes in the funded status of the plan are recorded in the year in which the changes occur, through comprehensive income.

Deferred compensation plans for certain former management employees provide for specified payments after retirement. A liability has been recognized based on the present value of estimated payments to be made.

### REVENUE RECOGNITION

The Company recognizes revenue to represent the transfer of goods and services to customers in an amount that reflects the consideration to which the Company expects to be entitled in such exchange. This requires the Company to identify contractual performance obligations and determine whether revenue should be recognized at a point in time or over time, based on when control of goods and services transfers to a customer. Operating results pertaining to the Company's business segments are summarized in Note 13 to the consolidated financial statements.

## [Table of Contents](#)

A customer is distinguished from a noncustomer by the nature of the goods or services that are transferred. Customers are provided with goods or services that are generated by a company's ordinary output activities, whereas noncustomers are provided with nonfinancial assets that are outside of a company's ordinary output activities. This distinction may not significantly change the pattern of income recognition but determines whether that income is classified as revenue (contracts with customers) or other gains/losses (contracts with noncustomers) in the Company's consolidated financial statements. The Company's revenue streams for the period were generated as ordinary output activities to customers as defined by the guidance and were properly classified as revenues.

The Company uses the five-step model to recognize revenue from customer contracts. The five-step model requires the Company (i) identify the contract with the customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, including variable consideration to the extent that it is probable that a significant future reversal will not occur, (iv) allocate the transaction price to the respective performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies the performance obligation.

For each contract that involves variable consideration, the transaction price of the contract is considered the most likely outcome in estimating possible consideration amounts. The information used to determine the transaction price is similar to the information used in establishing prices of goods or services.

The Company is also required to determine if it controls the goods or services prior to the transfer to the customer in order to determine if it should account for the arrangement as a principal or agent. Principal arrangements, where the Company controls the goods or services provided, will result in the recognition of the gross amount of consideration expected in the exchange. Agent arrangements, where the Company simply arranges but does not control the goods or services being transferred to the customer, will result in the recognition of the net amount the Company is entitled to retain in the exchange.

Revenues from the Company's real estate segment consist of sales of real estate. Revenues from sales of real estate are recognized in the period in which sufficient cash has been received, collection of the balance is reasonably assured, performance obligations have been performed and risks of ownership have passed to the buyer.

Sales of real estate assets that are considered central to the Company's ongoing major operations are classified as real estate sales revenue, along with any associated cost of sales, in the Company's consolidated statements of operations and comprehensive income. Sales of real estate assets that are considered peripheral or incidental transactions to the Company's ongoing major or central operations are reflected as net gains or losses in the Company's consolidated statements of operations and comprehensive income.

Leasing revenues are recognized on a straight-line basis over the terms of the leases. Lease income may include certain percentage rents determined in accordance with the terms of the leases. Lease income arising from rents that are contingent upon the sales of the tenant exceeding a defined threshold are recognized only after the defined sales thresholds are achieved. Reimbursements received for real estate taxes, general excise taxes, insurance and common area maintenance expenses are recognized as revenue as provided in the underlying lease terms.

The Company elected the following practical expedients upon adoption of ASC Topic 842 on January 1, 2019:

- Single component practical expedient – requires the Company to account for lease and non-lease components associated with that lease, if certain criteria are met.
- Short-term leases practical expedient – for operating leases with a term of 12 months or less in which the Company is the lessee, this expedient allows the Company to not record on its balance sheets the related lease liabilities, taxes collected from lessees, lessor costs paid directly by lessee to a third party and right-of-use assets.

Included in leasing revenues are grants issued by the State of Hawai'i to subsidize the conservation and preservation efforts of the Pu'u Kukui Watershed Preserve ("PKW"). The PKW is approximately 9,000 acres of conservation zoned lands that is a primary source of water that originates on the top of the West Maui Mountains. We currently receive government assistance via two grants, the Natural Area Partnership Program ("NAPP") Grant with the State of Hawai'i Department of Land and Natural Resources and the State of Hawai'i Department of Health grant entitled Treatment Train: An Ahupua'a's Approach to Watershed Best Practices in West Maui, Hawai'i ("DOH Grant"). The NAPP Grant was renewed on July 1, 2023 for a six-year period. For the period July 1, 2023 to June 30, 2024 provides \$510,000 in government funds in support of the conservation efforts by the Company. The DOH Grant for the period from April 1, 2019 to April 30, 2024 will provide \$1.1 million in total funds, to date, there remains approximately \$ 75,000 remaining in available grant funds before having to reapply for the next grant period. Actual funds received for both grants were \$0.3 million for 2023 and \$0.4 million in 2022.

Revenue from resort amenities consist of annual dues received from the Kapalua Club membership program. Member services include access, special programs, and other privileges at certain of the amenities at the Kapalua Resort. Annual membership dues are recognized on a straight-line basis over one year. Performance obligations for services are satisfied by relying on information received from the Company's employees and vendors who have rendered services in accordance with the terms and conditions of the membership program.

The Company estimates credit losses on accounts receivable from customers by considering relevant information (past, current, and future) in assessing the collectability of cash flows. The expected credit losses of the Company's accounts receivable are summarized in Note 14 to the consolidated financial statements.

Economic factors affecting the nature, amount, timing, and uncertainty of the Company's revenue and cash flows are identified as Risks and Uncertainties in this Note 1.

## OPERATING COSTS AND EXPENSES

Real estate, leasing, resort amenities, and general and administrative costs and expenses are reflected exclusive of depreciation and pension and other post-retirement expenses.

## [Table of Contents](#)

### SHARE-BASED COMPENSATION PLANS

The Company accounts for share-based compensation, including grants of restricted shares of common stock and options to purchase common shares, as compensation expense over the respective vesting periods in the consolidated financial statements based on their fair values on the grant dates. The impact of forfeitures that may occur prior to vesting is estimated and considered in the expense recognized.

### INCOME TAXES

The Company accounts for uncertain tax positions using a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

The Company's provision for income taxes is calculated using the liability method. Deferred income taxes are provided for all temporary differences between the financial statement and income tax bases of assets and liabilities using tax rates enacted by law or regulation. A valuation allowance is established for deferred income tax assets if management believes that it is more likely than not that some portion or all of the asset will not be realized through future taxable income.

The Company recognizes accrued interest related to unrecognized tax benefits as interest expense and penalties in general and administrative expenses in its consolidated statements of operations and comprehensive income (loss) and such amounts are included in income taxes payable on the Company's consolidated balance sheets.

### COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) includes all changes in stockholders' equity, except those resulting from capital stock transactions. Comprehensive income also includes adjustments to the Company's defined benefit pension plan obligations.

### INCOME (LOSS) PER COMMON SHARE

Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding. Diluted net income (loss) per common share is computed similar to basic net income (loss) per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if dilutive potential common shares from share-based compensation arrangements had been issued. Potentially dilutive shares from stock option grants to purchase common shares and non-vested restricted stock are determined using the treasury stock method. Basic weighted-average common shares outstanding at December 31, 2023 and 2022 were 19.6 million and 19.4 million, respectively. Diluted weighted-average common shares outstanding at December 31, 2023 and 2022 were 19.7 million and 19.4 million, respectively.

### FAIR VALUE MEASUREMENTS

GAAP establishes a framework for measuring fair value and requires certain disclosures about fair value measurements to enable the reader of the consolidated financial statements to assess the inputs used to develop those measurements by establishing a hierarchy for ranking the quality and reliability of the information used to determine fair values. GAAP requires that financial assets and liabilities be classified and disclosed in one of the following three categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

The Company considers cash and cash equivalents to be unrestricted for purposes of the consolidated balance sheets and consolidated statements of cash flows. The fair value of receivables and payables approximate their carrying value due to the short-term nature of the instruments. The valuation is based on settlements of similar financial instruments all of which are short-term in nature and are generally settled at or near cost.

### USE OF ESTIMATES

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Future actual amounts could differ from these estimates.

## [Table of Contents](#)

### CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash deposits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per institution. The Company had deposits in excess of the FDIC limit at December 31, 2023 and 2022. No losses have been recognized in 2023 or 2022.

### RISKS AND UNCERTAINTIES

Factors that could adversely impact the Company's future operations or financial results include, but are not limited to the following: periods of economic weakness and uncertainty in Hawai'i and the mainland United States; high unemployment rates and low consumer confidence; uncertainties and changes in U.S. social, political, regulatory and economic conditions or laws and policies and concerns surrounding ongoing developments in the European Union, Middle East, and Asia; the general availability of mortgage financing, including the effect of more stringent lending standards for mortgages and perceived or actual changes in interest rates; risks related to the Company's investments in real property, the value and salability of which could be impacted by the economic factors discussed above or other factors; the popularity of Maui in particular and Hawai'i in general as a vacation destination or second-home market; increased energy costs, including fuel costs, which affect tourism on Maui and Hawai'i generally; untimely completion of land development projects within forecasted time and budget expectations; inability to obtain land use entitlements at a reasonable cost or in a timely manner; unfavorable legislative decisions by state and local governmental agencies; impact of governmental fines and assessments; the cyclical market demand for luxury real estate on Maui and in Hawai'i generally; increased competition from other luxury real estate developers on Maui and in Hawai'i generally; failure of future joint venture partners to perform in accordance with their contractual agreements; environmental regulations; acts of God, such as tsunamis, hurricanes, earthquakes and other natural disasters, such as the recent Maui wildfires; the spread of contagious diseases, such as the Coronavirus; the Company's location apart from the mainland United States, which results in the Company's financial performance being more sensitive to the aforementioned economic risks; failure to comply with restrictive financial covenants in the Company's credit arrangements; and an inability to achieve the Company's short and long-term goals and cash flow requirements.

### LEGAL CONTINGENCIES

The Company is party to claims and lawsuits as well as threatened or potential actions or claims concerning matters arising from the conduct of its business activities. The outcome of claims or litigation and the timing of ultimate resolution are inherently difficult to predict and significant judgment may be required in the determination of both the probability of loss and whether the amount of the loss is reasonably estimable. The Company's estimates are subjective and are based on the status of legal and regulatory proceedings, the merit of the Company's defenses and consultation with external legal counsel. An accrual for a potential litigation loss is established when information related to the loss contingency indicates both that a loss is probable and that the amount of loss can be reasonably estimated. Refer to Note 9 to the consolidated financial statements for further information regarding the Company's legal proceedings.

### NEW ACCOUNTING STANDARD ADOPTED

In June 2016, the FASB issued ASU 2016-13 to update the methodology used to measure current expected credit losses ("CECL"). This ASU applies to financial assets measured at amortized cost, including loans, held-to-maturity debt securities, net investments in leases, and trade accounts receivable as well as certain off-balance sheet exposures, such as loan commitments. This ASU requires consideration of a broader range of reasonable and supportable information to explain credit loss estimates. The guidance was adopted on January 1, 2023 using a modified retrospective transition method applied to receivable balances in the Company's non-leasing segments. There was no cumulative-effect adjustment to retained earnings/(deficit) upon adoption of the ASU.

**2. INVESTMENTS IN BOND SECURITIES**

Amortized cost and fair value of debt securities at December 31, 2023 and 2022 consisted of the following:

|                   | 2023<br>(in thousands) | 2022<br>(in thousands) |
|-------------------|------------------------|------------------------|
| Amortized cost    | \$ 3,135               | \$ 2,983               |
| Unrealized gains  | 4                      | 9                      |
| <b>Fair value</b> | <b>\$ 3,139</b>        | <b>\$ 2,992</b>        |

Maturities of debt securities at December 31, 2023 and 2022 were as follows:

|  | 2023              |                              | 2022              |                 |
|--|-------------------|------------------------------|-------------------|-----------------|
|  | Amortized<br>Cost | Fair Value<br>(in thousands) | Amortized<br>Cost | Fair Value      |
| One year or less                         | \$ 2,671          | \$ 2,671                     | \$ 2,432          | \$ 2,440        |
| Greater than one year through five years | 464               | 468                          | 551               | 552             |
|  | <b>\$ 3,135</b>   | <b>\$ 3,139</b>              | <b>\$ 2,983</b>   | <b>\$ 2,992</b> |

The fair value of debt securities were measured using Level 1 inputs which are based on quotes for trades occurring in active markets for identical assets.

**3. ASSETS HELD FOR SALE**

Assets held for sale consisted of the 46-acre Central Resort project located in Kapalua. In December 2021, the Company entered into an agreement to sell the Kapalua Central Resort project for \$40.0 million. Terms of the agreement were subsequently amended to include a closing condition requiring the Maui Planning Commission to approve a five-year extension of a Special Management Area ("SMA") permit issued by the County of Maui. The Company allowed the agreement with the buyer to expire on April 11, 2023. The application for the extension of the SMA permit is being managed by the Company. In 2023, Management reclassified the accumulated costs to deferred development while the project is being developed.

**4. PROPERTY & EQUIPMENT**

*Land*

Most of the Company's 22,300 acres of land were acquired between 1911 and 1932 and is carried in its balance sheets at cost. More than 20,000 acres of land are located in West Maui and comprise a largely contiguous parcel that extends from the sea to an elevation of approximately 5,700 feet. This parcel includes approximately 900 acres within the Kapalua Resort, a master-planned, destination resort and residential community located in West Maui encompassing approximately 3,000 acres. The Company's remaining 1,500 acres of land are located in Upcountry Maui in an area commonly known as Hali'imaile and are mainly comprised of leased agricultural fields, including related processing and maintenance facilities.

*Land Improvements*

Land improvements are comprised primarily of roads, utilities, and landscaping infrastructure improvements at the Kapalua Resort. Also included is the Company's potable and non-potable water systems in West Maui. Majority of the Company's land improvements were constructed and placed in service in the mid-to-late 1970's or conveyed in 2017. Depreciation expense would be considerably higher if these assets were stated at current replacement cost.

## Table of Contents

### *Buildings*

Buildings are comprised of restaurant, retail and light industrial spaces located at the Kapalua Resort and Hali'imaile which are used in the Company's leasing operations. Most of the Company's buildings were constructed and placed in service in the mid-to-late 1970's. Depreciation expense would be considerably higher if these assets were stated at current replacement cost.

### *Machinery and Equipment*

Machinery and equipment are mainly comprised of zipline course equipment installed in 2008 at the Kapalua Resort and used in the Company's leasing operations.

## **5. INVESTMENT IN JOINT VENTURE**

In December 2023, the Company entered into a joint venture agreement with a local developer to form a Hawai'i limited liability company ("BRE2 LLC"). The Company's initial capital contribution to BRE2 LLC consisted approximately 31 acres of former pineapple lands in Hali'imaile valued at \$1.6 million. Net proceeds from the sales of improved agricultural lots will be distributed according to terms of the joint venture agreement.

## **6. LONG-TERM DEBT**

The Company has available a \$15.0 million revolving line of credit facility with First Hawaiian Bank ("Credit Facility"). On December 23, 2021, the Company executed a Fourth Loan Modification Agreement and Second Amended and Restated Credit Agreement ("Agreements") extending the maturity date of the Credit Facility to December 31, 2025. The Agreements provide revolving or term loan borrowing options. Interest on revolving borrowing is calculated based on the Bank's prime rate minus 1.125 percentage points. Interest on term loan borrowing is fixed at the Bank's commercial loan rates with interest rate swap options available. The Company has pledged approximately 30,000 square feet of commercial leased space in the Kapalua Resort as security for the Credit Facility. Net proceeds from the sale of any collateral are required to be repaid toward outstanding borrowings and will permanently reduce the Credit Facility's revolving commitment amount. There are no commitment fees on the unused portion of the Credit Facility.

The terms of the Credit Facility include various representations, warranties, affirmative, negative and financial covenants and events of default customary for financings of this type. Financial covenants include a minimum liquidity (as defined) of \$2.0 million, a maximum of \$45.0 million in total liabilities, and a limitation on new indebtedness. The Credit Facility also contains covenants restricting the payment of cash dividends without the lender's prior approval.

The Company was in compliance with the covenants under the Credit Facility as of December 31, 2023.

## **7. ACCRUED RETIREMENT BENEFITS**

Accrued retirement benefits at December 31, 2023 and 2022 consisted of the following:

|  | 2023            | 2022            |
|--|-----------------|-----------------|
|  | (in thousands)  | (in thousands)  |
| Defined benefit pension plan                       | \$ (33)         | \$ 1,023        |
| Non-qualified retirement plan                      | 1,725           | 1,731           |
| Total  | 1,692           | 2,754           |
| Less current portion                               | (142)           | (142)           |
| Non-current portion of accrued retirement benefits | <u>\$ 1,550</u> | <u>\$ 2,612</u> |

The Company had two defined benefit pension plans which covered substantially all former bargaining and non-bargaining full-time, part-time and intermittent employees. In 2011, pension benefits under both plans were frozen. The Company merged the two defined benefit pension plans to streamline the administration of the frozen plan in 2018. The Company also has an unfunded non-qualified retirement plan covering nine of its former employees. The non-qualified retirement plan was frozen in 2009 and future vesting of additional benefits was discontinued.

In November 2022, the Company signed a purchase agreement with an insurer to annuitize the scheduled pension payments of 167 participants currently receiving benefits. Approximately \$14.5 million was paid to the insurer from plan assets for the group annuity contract.

[Table of Contents](#)

The measurement date for the Company's benefit plan disclosures is December 31 of each year. The changes in benefit obligations and plan assets for the years ended December 31, 2023 and 2022, and the funded status of the plans and assumptions used to determine benefit information at December 31, 2023 and 2022 were as follows:

|   | 2023               | 2022              |
|---|--------------------|-------------------|
|   | (in thousands)     |                   |
| <b>Change in benefit obligations:</b>                                 |                    |                   |
| Benefit obligations at beginning of year                              | \$ 16,537          | \$ 40,182         |
| Interest cost   | 783                | 1,034             |
| Actuarial gain  | (580)              | (7,772)           |
| Benefits paid   | <u>(1,188)</u>     | <u>(16,907)</u>   |
| <b>Benefit obligations at end of year</b>                             | <b>15,552</b>      | <b>16,537</b>     |
| <b>Change in plan assets:</b>   |                    |                   |
| Fair value of plan assets at beginning of year                        | 13,783             | 32,103            |
| Actual return on plan assets  | 1,137              | (7,241)           |
| Employer contributions  | 128                | 5,828             |
| Benefits paid   | <u>(1,188)</u>     | <u>(16,907)</u>   |
| <b>Fair value of plan assets at end of year</b>                       | <b>13,860</b>      | <b>13,783</b>     |
| <b>Funded status</b>  | <b>\$ (1,692)</b>  | <b>\$ (2,754)</b> |
| <b>Accumulated benefit obligations</b>                                | <b>\$ (15,552)</b> | <b>\$ 16,537</b>  |
| <b>Weighted average assumptions to determine benefit obligations:</b> |                    |                   |
| Discount rate   | 4.90 - 4.95%       | 5.11 - 5.14%      |
| Expected long-term return on plan assets                              | 5.25%              | 5.00%             |
| Rate of compensation increase   | n/a                | n/a               |

Accumulated other comprehensive loss of \$6.9 million and \$8.3 million at December 31, 2023 and 2022, respectively, represent the net actuarial loss which have not yet been recognized as a component of pension and other post-retirement expense.

Components of net periodic benefit cost and other amounts recognized in comprehensive income were as follows:

|   | 2023              | 2022              |
|---|-------------------|-------------------|
|   | (in thousands)    |                   |
| <b>Pension and other benefits:</b>  |                   |                   |
| Interest cost   | \$ 783            | \$ 1,034          |
| Expected return on plan assets  | (657)             | (1,226)           |
| Recognized net actuarial loss   | 310               | 585               |
| Settlement expense  | -                 | 7,492             |
| <b>Pension expense</b>  | <b>\$ 436</b>     | <b>\$ 7,885</b>   |
| <b>Other changes in plan assets and benefit obligations recognized in comprehensive income:</b> |                   |                   |
| Net loss (gain)   | \$ (1,060)        | \$ 696            |
| Amortization of recognized loss   | (310)             | (8,077)           |
| <b>Total recognized gain in comprehensive income</b>  | <b>\$ (1,370)</b> | <b>\$ (7,381)</b> |
| <b>Weighted average assumptions used to determine net periodic benefit cost:</b>                |                   |                   |
| Discount rate   | 5.11 - 5.14%      | 2.69 - 2.74%      |
| Expected long-term return on plan assets  | 5.00%             | 4.00%             |
| Rate of compensation increase   | n/a               | n/a               |

The expected long-term rate of return on plan assets was based on a building-block approach. Historical markets are studied and long-term historical relationships between equities and fixed income are presumed consistent with the widely accepted capital market principle that assets with higher volatility generate a greater return over the long run. Current market factors, such as inflation and interest rates, are evaluated before long-term capital markets are determined. Diversification and rebalancing of plan assets are properly considered as part of establishing long-term portfolio returns.

[Table of Contents](#)

At December 31, 2023 and 2022, the plan held shares of various Aon Collective Investment Trust ("ACIT") funds. The fair value of the Company's pension plan assets by category were as follows:

| 2023 Fair Value Measurements<br>(in thousands) |   |  |   |                  |        |
|--|---|--|---|------------------|--------|
|  | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Measured at<br>NAV as a<br>practical<br>expedient |                  | Total  |
| ACIT equity funds                              | \$ -  | \$ 760   | \$ -  | \$ 760           |        |
| ACIT fixed income funds                        | -   | 12,002   | 70  |                  | 12,072 |
| Cash management funds                          | -   | 1,028  | -   |                  | 1,028  |
|  | <b>\$ -</b>   | <b>\$ 13,790</b>                                       | <b>\$ 70</b>                                      | <b>\$ 13,860</b> |        |

  

| 2022 Fair Value Measurements<br>(in thousands) |   |  |   |                  |        |
|--|---|--|---|------------------|--------|
|  | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Measured at<br>NAV as a<br>practical<br>expedient |                  | Total  |
| ACIT equity funds                              | \$ -  | \$ 631   | \$ 828  | \$ 1,459         |        |
| ACIT fixed income funds                        | -   | 10,666   | 261   |                  | 10,927 |
| Cash management funds                          | -   | 1,397  | -   |                  | 1,397  |
|  | <b>\$ -</b>   | <b>\$ 12,694</b>                                       | <b>\$ 1,089</b>                                   | <b>\$ 13,783</b> |        |

Level 1 assets are priced using quotes for trades occurring in active markets for the identical asset. Level 2 assets are priced using observable inputs for the asset (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates) or inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs). Net asset values ("NAV") of ACIT funds included in Level 2 are readily determinable, measured daily and based on the fair value of each fund's underlying investments. For certain ACIT funds, NAV is used as a practical expedient to estimate fair value and is not categorized in the fair value hierarchy. These funds determine NAV based on the fair value of its underlying investments on a monthly or quarterly basis and have redemption restrictions. Redemptions may be requested at the fund's quarter-end NAV under the notification requirements of each fund, including a 105 day notice.

An administrative committee consisting of certain senior management employees administers the Company's defined benefit pension plan. The pension plan assets are allocated among approved asset types based on the plan's current funded status and other characteristics set by the administrative committee, subject to liquidity requirements of the plan.

Estimated future benefit payments are as follows (in thousands):

| Years ending December 31, |          |
|---------------------------|----------|
| 2023                      | \$ 1,394 |
| 2024                      | \$ 1,373 |
| 2025                      | \$ 1,346 |
| 2026                      | \$ 1,316 |
| 2027                      | \$ 1,277 |
| 2028-2032                 | \$ 5,851 |

The Company made a voluntary contribution of \$5.7 million to its defined benefit pension plan in August 2022. No minimum contributions were required in 2023.

## 8. CONTRACT ASSETS AND LIABILITIES

Receivables from contracts with customers were \$ 0.4 million, \$0.3 million, and \$0.3 million at December 31, 2023, 2022 and 2021, respectively.

### *Deferred license fee revenue*

The Company entered into a trademark license agreement with the owner of the Kapalua Plantation and Bay golf courses, effective April 1, 2020. Under the terms and conditions set forth in the agreement, the licensee is granted a perpetual, terminable on default, transferable, non-exclusive license to use the Company's trademarks and service marks to promote its golf courses and to sell its licensed products. The Company received a single payment royalty of \$2.0 million in March 2020. Revenue recognized on a straight-line basis over its estimated economic useful life was \$ 0.1 million for each of the years ended December 31, 2023 and 2022, respectively.

## 9. COMMITMENTS AND CONTINGENCIES

On December 31, 2018, the State of Hawai'i Department of Health ("DOH") issued a Notice and Finding of Violation and Order ("Order") for alleged wastewater effluent violations related to the Company's Upcountry Maui wastewater treatment facility. The facility was built in the 1960's to serve approximately 200 single-family homes developed for workers in the Company's former agricultural operations. The facility is made up of two 1.5-acre wastewater stabilization ponds and surrounding disposal leach fields. The Order includes, among other requirements, payment of a \$230,000 administrative penalty and development of improvements to the current wastewater treatment plant, which become final and binding unless a hearing is requested to contest the alleged violations and penalties.

The DOH agreed to defer the Order as we continue to work to resolve and remediate the facility's wastewater effluent issues through an approved corrective action plan. The construction of additional leach fields and installations of a surface aerator, sludge removal system, and natural pond cover using water plants were completed. Test results from wastewater monitoring indicate effluent concentration amounts within allowable ranges. A feasibility study was prepared and submitted identifying various technical solutions that could be implemented to resolve the Order. The Company submitted a plan and proposed solution to resolve the Order. The plan included the installation of an additional pond that will be lined and installed with aerators. One of the existing ponds will be lined and renovated as necessary and the other pond will be taken offline and used as a backup pond if needed. The Company is awaiting comments, feedback and approval from the DOH at the time of filing the Form 10-K.

Pursuant to a 1999 settlement agreement with the County of Maui, the Company and several chemical manufacturers have agreed to pay for 90% of capital costs to install filtration systems in any future water wells if the presence of a nematicide, commonly known as DBCP, exceeds specified levels, and for the ongoing maintenance and operating cost for filtration systems on existing and future wells. The Company paid approximately \$22,000 and \$21,000 for the reimbursement of filtration and maintenance costs during the years ending December 31, 2023 and 2022, respectively. The Company is presently not aware of any plans by the County of Maui to install other filtration systems or to drill any water wells in areas affected by agricultural chemicals. Accordingly, no reserve for costs relating to any future wells has been recorded as the Company is unable to estimate the amount, or range of amounts, of any probable liability, if any.

In addition, from time to time, the Company is the subject of various other claims, complaints and other legal actions which arise in the normal course of the Company's business activities. The Company believes the resolution of these other matters, in the aggregate, is not likely to have a material adverse effect on the Company's consolidated financial position or operations.

## 10. LEASING ARRANGEMENTS

The Company leases land primarily to agriculture operators and space in commercial buildings, primarily to restaurant and retail tenants through 2048. These operating leases generally provide for minimum rents, licensing fees, percentage rentals based on tenant revenues, and reimbursement of common area maintenance and other expenses. Certain leases allow the lessee an option to extend or terminate the lease agreement. There are no agreements allowing a lessee an option to purchase the underlying asset. Total leasing income subject to ASC Topic 842 for the years ended December 31, 2023 and 2022 were as follows:

|                    | 2023                  | 2022                  |
|--------------------|-----------------------|-----------------------|
|                    | (in thousands)        |                       |
| Minimum rentals    | \$ 3,409              | \$ 3,272              |
| Percentage rentals | 1,391                 | 1,937                 |
| Licensing fees     | 827                   | 1,001                 |
| Other              | 1,336                 | 1,296                 |
|                    | <hr/> <u>\$ 6,963</u> | <hr/> <u>\$ 7,506</u> |

Leased property, net of accumulated depreciation, was \$ 10.3 million and \$10.1 million at December 31, 2023 and 2022, respectively.

[Table of Contents](#)

Future minimum rental income for the next five years and thereafter are as follows (in thousands):

| Years ending December 31, |          |
|---------------------------|----------|
| 2024                      | \$ 2,460 |
| 2025                      | \$ 2,361 |
| 2026                      | \$ 2,338 |
| 2027                      | \$ 2,268 |
| 2028                      | \$ 1,675 |
| Thereafter                | \$ 8,685 |

The Company recognized rent expense from operating leases of \$ 34,000 and \$49,000 for the years ended December 31, 2023 and 2022, respectively. A right-of-use asset was recorded in Other current assets and the related lease liability in Other current liabilities. The present value of remaining contractual payments related to operating leases were \$23,000 and \$53,000 at December 31, 2023 and 2022, respectively.

## 11. SHARE-BASED COMPENSATION

The Company's directors and certain members of management receive a portion of their compensation in shares of the Company's common stock granted under the Company's 2017 Equity and Incentive Award Plan ("Equity Plan").

Share-based compensation is awarded annually to certain members of the Company's management based on their achievement of predefined performance goals and objectives under the Equity Plan. Such share-based compensation is comprised of an annual incentive paid in shares of common stock and a long-term incentive paid in restricted shares of common stock vesting quarterly over a period of three years. Share-based compensation is valued based on the average of the high and low share price on the date of grant. Shares are issued upon execution of agreements reflecting the grantee's acceptance of the respective shares subject to the terms and conditions of the Equity Plan. Restricted shares issued under the Equity Plan have voting and regular dividend rights but cannot be disposed of until such time as they are vested. All unvested restricted shares are forfeited upon the grantee's termination of directorship or employment from the Company.

Directors receive both cash and equity compensation under the Equity Plan. Share-based compensation is comprised of restricted shares of common stock vesting quarterly over the directors' annual period of service which are valued based on the average of the high and low share price on the date of grant. Shares are issued upon execution of agreements reflecting the grantee's acceptance of the respective shares subject to the terms and conditions of the Equity Plan. Restricted shares issued under the Equity Plan have voting and regular dividend rights but cannot be disposed of until such time as they are vested. All unvested restricted shares are forfeited upon the grantee's termination of directorship from the Company.

Options to purchase shares of the Company's common stock under the Equity Plan were granted to directors during the quarter ended June 30, 2023. The number of common shares subject to option for annual board service, board committee service, and continued service of the Chairman of the Board are 0.3 million shares, 0.1 million shares, and 0.4 million shares, respectively. Stock option grants are valued at the commitment date, based on the fair value of the equity instruments, and recognized as share-based compensation expense on a straight-line basis over its respective vesting periods. The option agreements provide for accelerated vesting if there is a change in control in ownership.

For annual board service and board committee service, stock option grants have a contractual period of ten years and vest quarterly over 12 months. The exercise price per share is based on the average of the high and low share price on the date of grant, or \$12.11 per share. The fair value of these grants using the Black-Scholes option-pricing model was \$3.88 per share based on an expected term of 5.25 years, expected volatility of 28%, and a risk-free rate of 4.16%. During the year ended December 31, 2023, 0.3 million of stock options vested and none were exercised or forfeited. There were 0.1 million of unvested share options, or \$0.3 million of unrecognized compensation cost, related to annual board services and board committee service at December 31, 2023.

For continued service of the Board's Chairman, the stock option grant has a contractual period of ten years and vests annually as follows: 0.1 million shares on June 1, 2024, 0.1 million shares on June 1, 2025, and 0.1 million shares on June 1, 2026. The exercise price per share is based on the average of the high and low share price on the date of grant, or \$9.08 per share. The fair value of the grant using the Black-Scholes option-pricing model was \$3.94 per share based on an expected term of 6.12 years, expected volatility of 37%, and a risk-free rate of 3.49%. There were 0.4 million of unvested share options, or \$1.2 million or unrecognized compensation cost, related to the continued service of the Board's Chairman at December 31, 2023

The simplified method described in Staff Accounting Bulletin No. 107 was used by management due to the lack of historical option exercise behavior. Management does not anticipate future forfeitures to be material. The Company does not currently issue dividends.

Share-based compensation expense totaled \$2.8 million and \$1.3 million for the years ended December 31, 2023 and 2022, respectively. Included in these amounts were \$1.2 million and \$0.9 million of restricted common stock vested during the years ended December 31, 2023 and 2022, respectively, and \$1.4 million of stock options vested during the year ended December 31, 2023.

In January 2024, an option to purchase 0.4 million shares of the Company's common stock under the Equity Plan was granted to the Company's CEO. The stock option grant has a contractual period of ten years and vests annually as follows: 0.1 million shares on January 1, 2025, 0.1 million shares on January 1, 2026, and 0.1 million shares on January 1, 2027. The exercise price per share is based on the average of the high and low share price on the date of grant, or \$15.75 per share. The stock option grant is valued at the commitment date, based on the fair value, and recognized as share-based compensation expense on a straight-line basis over its vesting period beginning in January 2024. The fair value of the grant using the Black-Scholes option-pricing model was \$6.02 per share at January 1, 2024 based on an expected term of 6.00 years, expected volatility of 31%, and a risk-free rate of 3.82%.

## 12. INCOME TAXES

GAAP prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return.

The Company's provision for income taxes is calculated using the liability method. Deferred income taxes are provided for all temporary differences between the financial statement and income tax bases of assets and liabilities using tax rates enacted by law or regulation.

Reconciliations between the total income tax expense (benefit) and the amount computed using the statutory federal rate of 21% for the years ended December 31, 2023 and 2022 were as follows:

|  | 2023<br>(in thousands) | 2022<br>(in thousands) |
|--|------------------------|------------------------|
| Federal income tax expense (benefit) at statutory rate | \$ (647)               | \$ 375                 |
| Adjusted for:  |                        |                        |
| Permanent differences                                  | 99                     | 86                     |
| Valuation allowance                                    | 548                    | (461)                  |
| Income tax expense (benefit)                           | <u><u>\$ -</u></u>     | <u><u>\$ -</u></u>     |

Deferred tax assets were comprised of the following temporary differences as of December 31, 2023 and 2022:

|  | 2023<br>(in thousands) | 2022<br>(in thousands) |
|--|------------------------|------------------------|
| Net operating loss and tax credit carryforwards    | \$ 24,648              | \$ 23,980              |
| Joint venture and other investments                | (446)                  | (27)                   |
| Accrued retirement benefits and other compensation | 1,233                  | 1,149                  |
| Property net book value                            | 3,002                  | 2,960                  |
| Deferred revenue                                   | 962                    | 1,016                  |
| Reserves and other                                 | 37                     | (50)                   |
| Total deferred tax assets                          | 29,436                 | 29,028                 |
| Valuation allowance                                | (29,436)               | (29,028)               |
| Net deferred tax assets                            | <u><u>\$ -</u></u>     | <u><u>\$ -</u></u>     |

Valuation allowances at December 31, 2023 and 2022 have been established to reduce future tax benefits not expected to be realized. Net Operating Loss (NOL) carryforwards created in tax years beginning after December 31, 2017 are limited by the TCJA but do not expire. At December 31, 2023, the Company had approximately \$ 67.5 million in federal NOL carryforwards and approximately \$ 81.4 million in state NOL carryforwards expiring from 2030 through 2034. The Company also had approximately \$ 8.3 million in federal and state NOL carryforwards at December 31, 2023 that do not expire.

## 13. SEGMENT INFORMATION

The Company's reportable operating segments are comprised of the discrete business units whose operating results are regularly reviewed by the Company's Chief Executive Officer, its chief decision maker, and the Board of Directors in assessing performance and determining the allocation of resources. Reportable operating segments in 2023 were as follows:

- Land development and sales includes development activities, such as land planning and entitlement, and the sale of real estate inventory.
- Leasing primarily includes revenues and expenses from real property leasing activities, license fees and royalties for the use of certain of the Company's trademarks and brand names by third parties, and the cost of maintaining the Company's real estate assets, including conservation activities. The operating segment also includes the management of ditch, reservoir and well systems that provide potable and non-potable water to West and Upcountry Maui areas.
- Resort Amenities include a membership program that provides certain benefits and privileges within the Kapalua Resort for its members.

The Company's reportable operating segment results were measured based on operating income, exclusive of interest, pension and other postretirement expenses.

## Table of Contents

Condensed consolidated financial information for each of the Company's reportable segments for the years ended December 31, 2023 and 2022 (in thousands) were as follows:

|  | Land<br>Development &<br>Sales | Leasing   | Resort<br>Amenities | Other     | Consolidated |
|--|--------------------------------|-----------|---------------------|-----------|--------------|
| <b>2023</b>                                |                                |           |                     |           |              |
| Operating revenues (1)                     | \$ 1,626                       | \$ 8,461  | \$ 828              | \$ -      | \$ 10,915    |
| Operating costs and expenses               | (595)                          | (4,420)   | (1,532)             | -         | (6,547)      |
| Depreciation expense                       | -                              | (861)     | -                   | (8)       | (869)        |
| General and administrative expenses        | (908)                          | (456)     | (393)               | (5,087)   | (6,844)      |
| Operating income (loss)                    | 123                            | 2,724     | (1,097)             | (5,095)   | (3,345)      |
| Pension and other post-retirement expenses |                                |           |                     |           | (436)        |
| Interest expense                           |                                |           |                     |           | (6)          |
| Other income                               |                                |           |                     |           | 707          |
| Income from continuing operations          |                                |           |                     |           | \$ (3,080)   |
| Capital expenditures (2)                   | \$ 200                         | \$ 619    | \$ -                | \$ -      | \$ 819       |
| Assets (3)                                 | \$ 17,102 (4)                  | \$ 14,489 | \$ 1,018            | \$ 9,614  | \$ 42,223    |
|  |                                |           |                     |           |              |
| <b>2022</b>                                |                                |           |                     |           |              |
| Operating revenues (1)                     | \$ 11,600                      | \$ 8,513  | \$ 847              | \$ -      | \$ 20,960    |
| Operating costs and expenses               | (1,026)                        | (3,598)   | (1,547)             | -         | (6,171)      |
| Depreciation expense                       | -                              | (1,101)   | -                   | (8)       | (1,109)      |
| General and administrative expenses        | (1,068)                        | (1,141)   | (496)               | (1,368)   | (4,073)      |
| Operating income (loss)                    | 9,506                          | 2,673     | (1,196)             | (1,376)   | 9,607        |
| Pension and other post-retirement expenses |                                |           |                     |           | (7,885)      |
| Interest expense                           |                                |           |                     |           | (6)          |
| Other income                               |                                |           |                     |           | 71           |
| Income from continuing operations          |                                |           |                     |           | \$ 1,787     |
| Capital expenditures (2)                   | \$ 33                          | \$ -      | \$ -                | \$ -      | \$ 33        |
| Assets (3)                                 | \$ 15,274                      | \$ 13,586 | \$ 815              | \$ 12,731 | \$ 42,406    |

(1) Amounts are principally revenues from external customers and exclude equity in earnings of affiliates.

(2) Includes expenditures for property and deferred costs.

(3) Segment assets are located in the United States

(4) The Land Development and Sales segment includes a \$ 1.6 million equity method investment

## 14. RESERVES

Allowance for credit losses for 2023 and 2022 were as follows:

| Description                        | Balance at<br>Beginning of Year | Increase<br>(Decrease)<br>(in thousands) | Balance at<br>End of Year |
|------------------------------------|---------------------------------|--|---------------------------|
| <b>Allowance for Credit Losses</b> |                                 |  |                           |
| 2023                               | \$ 177                          | \$ 341                                   | \$ 518                    |
| 2022                               | \$ 154                          | \$ 23                                    | \$ 177                    |

**Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**Item 9A. CONTROLS AND PROCEDURES**

*EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES*

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of December 31, 2023. We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow for timely decisions regarding required disclosure. Our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on the evaluation of our disclosure controls and procedures as of December 31, 2023, our principal executive officer, principal financial officer, and principal accounting officer concluded that, as of such date, our disclosure controls and procedures were effective.

*MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING*

Our management has the responsibility for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act, as a process designed by, or under the supervision of, the Company's principal executive, principal financial officer, principal accounting officer, and effected by our Board of Directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America. Our internal controls over financial reporting include those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the Company are being made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting only provides reasonable assurance with respect to financial statement presentation and preparation. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management, including our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of the Company's internal control over financial reporting as of December 31, 2023. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control—Integrated Framework* (2013). Based on its assessments, management believes that, as of December 31, 2023, the Company's internal control over financial reporting is effective.

As we are a smaller reporting company, our independent registered public accounting firm is not required to attest to the effectiveness of our internal control over financial reporting.

[Table of Contents](#)

**CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING**

There has been no change in our internal controls over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f) or 15d-15(f)) during the fiscal fourth quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting.

**Item 9B. OTHER INFORMATION**

None.

**Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

Not applicable.

**PART III**

**Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

The information required under this item will be set forth in our proxy statement related to our 2024 Annual Meeting of Stockholders, which will be filed with the Securities and Exchange Commission (the "SEC") no later than 120 days after the close of our fiscal year ended December 31, 2023, and is incorporated herein by reference.

**Item 11. EXECUTIVE COMPENSATION**

The information required under this item will be set forth in our proxy statement related to our 2024 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after the close of our fiscal year ended December 31, 2023, and is incorporated herein by reference.

**Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following table sets forth information regarding shares of our common stock that were eligible for issuance under our equity compensation plans as of December 31, 2023.

| Plan Category                          | Number of securities to be issued upon exercise of outstanding options, warrants and rights (a) | Weighted- average exercise price of outstanding options, warrants and rights (b) | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|--|---|--|---|
| 2017 Equity Incentive Stock Award Plan | 728,000   | \$10.45  | 562,101   |

The additional information required under this item will be set forth in our proxy statement related to our 2024 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after the close of our fiscal year ended December 31, 2023, and is incorporated herein by reference.

## Table of Contents

### Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required under this item will be set forth in our proxy statement related to our 2024 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after the close of our fiscal year ended December 31, 2023, and is incorporated herein by reference.

### Item 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required under this item will be set forth in our proxy statement related to our 2024 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after the close of our fiscal year ended December 31, 2023, and is incorporated herein by reference.

## PART IV

### Item 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

a)

1. *Financial Statements.* The following financial statements of Maui Land & Pineapple Company, Inc. and subsidiaries and Report of Independent Registered Public Accounting Firm are included in Item 8 of this Annual Report:

|  |    |
|--|----|
| <a href="#">Report of Independent Registered Public Accounting Firm (PCAOB ID 2866)</a>  | 17 |
| <a href="#">Consolidated Balance Sheets as of December 31, 2023 and 2022</a>   | 20 |
| <a href="#">Consolidated Statements of Operations and Comprehensive Income (Loss) for the Years Ended December 31, 2023 and 2022</a> | 21 |
| <a href="#">Consolidated Statements of Changes in Stockholders' Equity for the Years Ended December 31, 2023 and 2022</a>            | 22 |
| <a href="#">Consolidated Statements of Cash Flows for the Years Ended December 31, 2023 and 2022</a>                                 | 23 |
| <a href="#">Notes to Consolidated Financial Statements</a>   | 24 |

2. *Financial Statements schedules.* Financial statement schedules are omitted because they are not applicable, or the required information is shown in the financial statements or notes thereto.
3. *Exhibits.* The following is a list of exhibits filed as part of this Form 10-K.

| Exhibit Number | Exhibit Description   | Incorporated by Reference |            |            |             | Filed Herewith |
|----------------|---|---------------------------|------------|------------|-------------|----------------|
|                |   | Form                      | File No.   | Exhibit    | Filing Date |                |
| 2.1            | <a href="#">Plan of Conversion of Maui Land &amp; Pineapple Company, Inc., a Hawaii Corporation, into Maui Land &amp; Pineapple, Inc., a Delaware Corporation</a>                     | 8-K                       | 001-06510  | 2.1        | 7/20/2022   |                |
| 3.1            | <a href="#">State of Delaware Certificate of Conversion from a Non-Delaware Corporation to a Delaware Corporation Pursuant to Section 265 of the Delaware General Corporation Law</a> | 8-K                       | 001-06510  | 3.1        | 7/20/2022   |                |
| 3.2            | <a href="#">Certificate of Incorporation of Maui Land &amp; Pineapple Company, Inc.</a>   | 8-K                       | 001-06510  | 3.2        | 7/20/2022   |                |
| 3.3            | <a href="#">Bylaws of Maui Land &amp; Pineapple Company, Inc.</a>   | 8-K                       | 001-06510  | 3.3        | 7/20/2022   |                |
| 4.1            | <a href="#">Description of Capital Stock</a>  | S-8                       | 333-273009 | 4.1        | 6/28/2023   |                |
| 10.1#          | <a href="#">Maui Land &amp; Pineapple Company, Inc. Executive Severance Plan</a>  | 10-Q                      | 001-06510  | 10.1       | 4/28/2017   |                |
| 10.2#          | <a href="#">Maui Land &amp; Pineapple Company, Inc. 2017 Equity and Incentive Award Plan</a>  | DEF 14A                   | 001-06510  | Appendix A | 3/28/2017   |                |
| 10.3           | <a href="#">Amendment to Maui Land &amp; Pineapple Company, Inc. 2017 Equity and Incentive Award Plan</a>   | DEF 14A                   | 001-06510  | Appendix A | 3/31/2023   |                |
| 10.4           | <a href="#">Loan Agreement, by and between the Company and First Hawaiian Bank, dated June 6, 2016</a>  | 8-K                       | 001-06510  | 10.1       | 6/11/2014   |                |
| 10.5           | <a href="#">Credit Agreement, by and between the Company and First Hawaiian Bank, dated August 5, 2016</a>  | 10-Q                      | 001-06510  | 10.1       | 8/11/2016   |                |
| 10.6           | <a href="#">Third Loan Modification Agreement, by and between the Company and First Hawaiian Bank, dated December 31, 2019</a>  | 10-K                      | 001-06510  | 10.25      | 3/03/2020   |                |
| 10.7           | <a href="#">Fourth Loan Modification Agreement, by and between the Company and First Hawaiian Bank, dated December 23, 2021</a>   | 10-K                      | 001-06510  | 10.6       | 3/01/2022   |                |
| 10.8           | <a href="#">Fifth Loan Modification Agreement, by and between the Company and First Hawaiian Bank, dated July 15, 2022</a>  | 10-Q                      | 001-06510  | 10.1       | 8/11/2022   |                |
| 10.9           | <a href="#">Stock Option Grant to Chairman of the Board</a>   | 10-Q                      | 001-06510  | 10.1       | 8/18/2023   |                |
| 10.10          | <a href="#">Form of Stock Option Grant to Directors for Board Service and Committee Service</a>   | 10-Q                      | 001-06510  | 10.2       | 8/18/2023   |                |
| 10.11          | <a href="#">Form of Restricted Stock Award Agreement</a>  |                           |            |            |             | X              |

## Table of Contents

|         |  |   |
|---------|--|---|
| 21.1    | <a href="#">Subsidiaries of the Company</a>  | X |
| 23.1*   | <a href="#">Consent of Accuity LLP, Independent Registered Public Accounting Firm, dated March 28, 2024</a>  | X |
| 24.1    | <a href="#">Power of Attorney (included on the signature page of this report)</a>  | X |
| 31.1    | <a href="#">Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.</a> | X |
| 31.2    | <a href="#">Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) promulgated under the Securities Exchange Act of 1934, as amended.</a> | X |
| 32.1*   | <a href="#">Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>       | X |
| 32.2*   | <a href="#">Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</a>       | X |
| 101.INS | Inline XBRL Instance Document  | X |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document   | X |
| 101.CAL | InlineXBRL Taxonomy Extension Calculation document   | X |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase   | X |
| 101.LAB | InlineXBRL Taxonomy Extension labels Linkbase Document   | X |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Link Document  | X |
| 104     | Cover Page Interactive Data File (formatted in the Inline XBRL and contained in Exhibit 101).  | X |

\* This certification shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

# Indicates a management contract or compensatory plan or arrangement.

## **Item 16. FORM 10-K SUMMARY**

None.

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 28, 2024.

MAUI LAND & PINEAPPLE COMPANY, INC.

By: /s/ Race Randle  
Race Randle  
*Chief Executive Officer*

**POWER OF ATTORNEY**

KNOW ALL PERSONS BY THESE PRESENTS, that each individual whose signature appears below hereby constitutes and appoints Race Randle and Wade K. Kodama, and each or either of them, acting individually, as his or her true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution for him or her and in his or her name, place and stead, in any and all capacities, to sign any and all amendments to this Annual Report, and to file the same, with all exhibits thereto and other documents in connection therewith, with the SEC, granting unto said attorney-in-fact and agent, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorney-in-fact and agent, or any of them, or their or his or her substitutes, may lawfully do or cause to be done or by virtue hereof.

Pursuant to the requirements of the Exchange Act, as amended, this Annual Report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

|   |                      |
|---|----------------------|
| By <u>/s/ Race Randle</u>   | Date: March 28, 2024 |
| Race Randle, Chief Executive Officer (Principal Executive Officer)  |                      |
| By <u>/s/ Scot Sellers</u>  | Date: March 28, 2024 |
| Scot Sellers, Chairman of the Board   |                      |
| By <u>/s/ Stephen M. Case</u>   | Date: March 28, 2024 |
| Stephen M. Case, Director   |                      |
| By <u>/s/ Anthony P. Takitani</u>   | Date: March 28, 2024 |
| Anthony P. Takitani, Director   |                      |
| By <u>/s/ Glyn F. Aeppel</u>  | Date: March 28, 2024 |
| Glyn F. Aeppel, Director  |                      |
| By <u>/s/ Ken Ota</u>   | Date: March 28, 2024 |
| Ken Ota, Director   |                      |
| By <u>/s/ Catherine Ngo</u>   | Date: March 28, 2024 |
| Catherine Ngo, Director   |                      |
| By <u>/s/ John M. Sabin</u>   | Date: March 28, 2024 |
| John M. Sabin, Director   |                      |
| By <u>/s/ Wade K. Kodama</u>  | Date: March 28, 2024 |
| Wade K. Kodama, Chief Financial Officer<br>(Principal Financial Officer and Principal Accounting Officer) |                      |

**MAUI LAND & PINEAPPLE COMPANY, INC.**  
**2017 EQUITY AND INCENTIVE AWARD PLAN**  
**RESTRICTED STOCK AWARD GRANT NOTICE**

Maui Land & Pineapple Company, Inc., a Delaware corporation (the “**Company**”), pursuant to its 2017 Equity and Incentive Award Plan (the “**Plan**”), hereby grants to the holder listed below (“**Holder**”) the number of shares of the Company’s common stock, par value \$0.0001 (“**Stock**”), set forth below (the “**Shares**”). This Restricted Stock award is subject to all of the terms and conditions as set forth herein and in the Restricted Stock Award Agreement attached hereto as Exhibit A (the “**Restricted Stock Agreement**”) and the Plan, each of which are incorporated herein by reference. Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Restricted Stock Award Grant Notice (the “**Grant Notice**”).

**Holder:**

**Grant Date:**

**Shares Price on Grant Date:**

**Stock Award Value for 20XX:**

**Total Number of Shares of Restricted Stock:**

**Vesting Schedule:** Subject to the terms and conditions of the Plan, this Grant Notice and the Restricted Stock Agreement, the Company’s Forfeiture Restriction (as defined in the Restricted Stock Agreement) the Shares will vest as follows:

*In no event, however, shall the Forfeiture Restriction (as defined in the Restricted Stock Agreement) lapse as to any additional Shares following Holder’s Termination of Employment or Directorship.*

Remainder of page intentionally left blank

---

By his or her signature below, Holder agrees to be bound by the terms and conditions of the Plan, the Restricted Stock Agreement and this Grant Notice. Holder has reviewed the Restricted Stock Agreement, the Plan and this Grant Notice in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of this Grant Notice, the Restricted Stock Agreement and the Plan. Holder hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under or relating to the Plan, this Grant Notice or the Restricted Stock Agreement.

**MAUI LAND & PINEAPPLE COMPANY, INC.:**

By:

Print Name: Wade K. Kodama  
Title: Chief Financial Officer  
Address: 500 Office Road  
Lahaina, HI 96761

Date:

**HOLDER:**

By:

Print Name:  
Address:

Date:

---

**EXHIBIT A**  
**TO RESTRICTED STOCK AWARD GRANT NOTICE**  
**RESTRICTED STOCK AWARD AGREEMENT**

Pursuant to the Restricted Stock Award Grant Notice ("**Grant Notice**") to which this Restricted Stock Award Agreement (this "**Agreement**") is attached, Maui Land & Pineapple Company, Inc., a Delaware corporation (the "**Company**"), has granted to Holder the number of shares of the Company's common stock, par value \$0.0001 ("**Stock**"), set forth in the Grant Notice (the "**Shares**"), upon the terms and conditions set forth in the Company's 2017 Equity and Incentive Award Plan (the "**Plan**"), the Grant Notice and this Agreement.

**ARTICLE I**

**GENERAL**

1.1 Defined Terms. Capitalized terms not specifically defined herein shall have the meanings specified in the Grant Notice or, if not defined therein, the Plan.

1.2 Incorporation of Terms of Plan. The Shares are subject to the terms and conditions of the Plan which are incorporated herein by reference.

**ARTICLE II**

**GRANT OF RESTRICTED STOCK**

2.1 Grant of Restricted Stock. In consideration of Holder's past and/or continued service to the Company or its Subsidiaries and for other good and valuable consideration, effective as of the Grant Date set forth in the Grant Notice (the "**Grant Date**"), the Company hereby agrees to issue to Holder the Shares, upon the terms and conditions set forth in the Plan, the Grant Notice and this Agreement.

2.2 Issuance of Shares. The issuance of the Shares under this Agreement shall occur at the principal office of the Company simultaneously with, or as soon as practicable after, the execution of the Grant Notice by the parties or on such other date as the Company and Holder shall agree (the "**Issuance Date**"). Subject to the provisions of Article IV, the Company shall issue the Shares (which shall be issued in Holder's name) on the Issuance Date.

2.3 Conditions to Issuance of Stock Certificates. The Shares, or any portion thereof, may be either previously authorized but unissued shares or issued shares which have then been reacquired by the Company. Such Shares shall be fully paid and nonassessable. The Company shall not be required to issue or deliver any Shares prior to fulfillment of all of the following conditions:

- (a) The admission of such Shares to listing on all stock exchanges on which the Stock is then listed;
- (b) The completion of any registration or other qualification of such Shares under any state or federal law or under rulings or regulations of the Securities and Exchange Commission or of any other governmental regulatory body, which the Board shall, in its absolute discretion, deem necessary or advisable;

---

(c) The obtaining of any approval or other clearance from any state or federal governmental agency which the Board shall, in its absolute discretion, determine to be necessary or advisable;

(d) The lapse of such reasonable period of time following the Issuance Date as the Board may from time to time establish for reasons of administrative convenience; and

(e) The receipt by the Company of full payment for all amounts (if any) which, under federal, state or local tax law, the Company (or other employer corporation) is required to withhold upon issuance of such Shares.

**2.4 Rights as Stockholder.** Except as otherwise provided herein, upon delivery of the Shares to the escrow agent pursuant to Article IV, Holder shall have all the rights of a stockholder with respect to said Shares, subject to the restrictions herein, including the right to vote the Shares and to receive all dividends or other distributions paid or made with respect to the Shares; *provided, however,* that any and all extraordinary cash dividends paid on such Shares and any and all shares of Stock, capital stock or other securities or property received by or distributed to Holder with respect to the Shares as a result of any stock dividend, stock split, reverse stock split, recapitalization, combination, reclassification, or similar change in the capital structure of the Company shall also be subject to the Forfeiture Restriction (as defined in Section 3.1) and the restrictions on transfer in Section 3.4 until such restrictions on the underlying Shares lapse or are removed pursuant to this Agreement (or, if such Shares are no longer outstanding, until such time as such Shares would have been released from the Forfeiture Restriction pursuant to this Agreement). In addition, in the event of any merger, consolidation, share exchange or reorganization affecting the Shares, including, without limitation, a Change in Control, then any new, substituted or additional securities or other property (including money paid other than as a regular cash dividend) that is by reason of any such transaction received with respect to, in exchange for or in substitution of the Shares shall also be subject to the Forfeiture Restriction (as defined in Section 3.1) and the restrictions on transfer in Section 3.4 until such restrictions on the underlying Shares lapse or are removed pursuant to this Agreement (or, if such Shares are no longer outstanding, until such time as such Shares would have been released from the Forfeiture Restriction pursuant to this Agreement). Any such assets or other securities received by or distributed to Holder with respect to, in exchange for or in substitution of any Unreleased Shares (as defined in Section 3.3) shall be immediately delivered to the Company to be held in escrow pursuant to Section 4.1.

## ARTICLE III

### RESTRICTIONS ON SHARES

**3.1 Forfeiture Restriction.** Subject to the provisions of Section 3.2, if Holder has a Termination of Employment, Termination of Directorship, or Termination of Consultancy, applicable, for any or no reason, all of the Unreleased Shares (as defined in Section 3.3) shall thereupon be forfeited immediately and without any further action by the Company (the "**Forfeiture Restriction**"). Upon the occurrence of such a forfeiture, the Company shall become the legal and beneficial owner of the Shares being forfeited and all rights and interests therein or relating thereto, and the Company shall have the right to retain and transfer to its own name the number of Shares being forfeited by Holder. In the event any of the Unreleased Shares are forfeited under this Section 3.1, any cash, cash equivalents, assets or securities received by or distributed to Holder with respect to, in exchange for or in substitution of such Shares and held by the escrow agent pursuant to Section 4.1 and the Joint Escrow Instructions shall be promptly transferred by the escrow agent to the Company.

---

3.2 Release of Shares from Forfeiture Restriction. The Shares shall be released from the Forfeiture Restriction as indicated in the Grant Notice. Any of the Shares released from the Forfeiture Restriction shall thereupon be released from the restrictions on transfer under Section 3.4. In the event any of the Shares are released from the Forfeiture Restriction, any dividends or other distributions paid on such Shares and held by the escrow agent pursuant to Section 4.1 and the Joint Escrow Instructions shall be promptly paid by the escrow agent to Holder.

3.3 Unreleased Shares. Any of the Shares which, from time to time, have not yet been released from the Forfeiture Restriction are referred to herein as "**Unreleased Shares.**"

3.4 Restrictions on Transfer. Unless otherwise permitted by the Board pursuant to the Plan, no Unreleased Shares or any dividends or other distributions thereon or any interest or right therein or part thereof, shall be subject to sale or other disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such sale or other disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted sale or other disposition thereof shall be null and void and of no effect.

## ARTICLE IV

### ESCROW OF SHARES

4.1 Escrow of Shares. To ensure the availability for delivery of Holder's Unreleased Shares in the event of forfeiture of such Shares by Holder pursuant to Section 3.1, Holder hereby appoints the Secretary of the Company, or any other person designated by the Secretary or the Board as escrow agent, as his or her attorney-in-fact to assign and transfer unto the Company, such Unreleased Shares, if any, forfeited by Holder pursuant to Section 3.1 and any dividends or other distributions thereon, and shall, upon request by the Company, deliver and deposit with the Secretary of the Company, or such other person designated by the Board, any share certificates representing the Unreleased Shares, together with a stock assignment duly endorsed in blank. The Unreleased Shares and stock assignment shall be held by the Secretary of the Company, or such other person designated by the Board, in escrow, until the Unreleased Shares are forfeited by Holder as provided in Section 3.1, until such Unreleased Shares are released from the Forfeiture Restriction, or until such time as this Agreement no longer is in effect. Upon release of the Unreleased Shares from the Forfeiture Restriction, the escrow agent shall deliver to Holder the certificate or certificates representing such Shares in the escrow agent's possession, and the escrow agent shall be discharged of all further obligations hereunder; *provided, however,* that the escrow agent shall nevertheless retain such certificate or certificates as escrow agent if so required pursuant to other restrictions imposed pursuant to this Agreement. If the Shares are held in book entry form, then such entry will reflect that the Shares are subject to the restrictions of this Agreement. If any dividends or other distributions are paid on the Unreleased Shares held by the escrow agent pursuant to this Section 4.1, such dividends or other distributions shall also be subject to the restrictions set forth in this Agreement and held in escrow pending release of the Unreleased Shares with respect to which such dividends or other distributions were paid from the Forfeiture Restriction.

4.2 Transfer of Forfeited Shares. Holder hereby authorizes and directs the Secretary of the Company, or such other person designated by the Secretary or the Board, to transfer the Unreleased Shares which have been forfeited by Holder to the Company.

4.3 No Liability for Actions in Connection with Escrow. The Company, or its designee, shall not be liable for any act it may do or omit to do with respect to holding the Shares in escrow while acting in good faith and in the exercise of its judgment.

---

## ARTICLE V

### OTHER PROVISIONS

5.1 Adjustment for Stock Split. In the event of any stock dividend, stock split, reverse stock split, recapitalization, combination, reclassification, or similar change in the capital structure of the Company, the Board shall make appropriate and equitable adjustments in the Unreleased Shares subject to the Forfeiture Restriction and the number of Shares, consistent with any adjustment under Section 11.3 of the Plan. The provisions of this Agreement shall apply, to the full extent set forth herein with respect to the Shares, to any and all shares of capital stock or other securities, property or cash which may be issued in respect of, in exchange for, or in substitution of the Shares, and shall be appropriately adjusted for any stock dividends, splits, reverse splits, combinations, recapitalizations and the like occurring after the date hereof.

5.2 Taxes. Holder has reviewed with Holder's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by the Grant Notice and this Agreement. Holder is relying solely on such advisors and not on any statements or representations of the Company or any of its agents. Holder understands that Holder (and not the Company) shall be responsible for Holder's own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement. Holder understands that Holder will recognize ordinary income for federal income tax purposes under Section 83 of the Code as the restrictions applicable to the Unreleased Shares lapse. In this context, "restriction" includes the Forfeiture Restriction. Holder understands that Holder may elect to be taxed for federal income tax purposes at the time the Shares are issued rather than as and when the Forfeiture Restriction lapses by filing an election under Section 83(b) of the Code with the Internal Revenue Service no later than thirty days following the date of purchase. A form of election under Section 83(b) of the Code is attached to the Grant Notice as Exhibit B.

HOLDER ACKNOWLEDGES THAT IT IS HOLDER'S SOLE RESPONSIBILITY AND NOT THE COMPANY'S TO TIMELY FILE THE ELECTION UNDER SECTION 83(b), EVEN IF HOLDER REQUESTS THE COMPANY OR ITS REPRESENTATIVES TO MAKE THIS FILING ON HOLDER'S BEHALF.

5.3 Limitations Applicable to Section 16 Persons. Notwithstanding any other provision of the Plan or this Agreement, the Plan, the Shares and this Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule. To the extent permitted by applicable law, this Agreement shall be deemed amended to the extent necessary to conform to such applicable exemptive rule.

5.4 Administration. The Board shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret, amend or revoke any such rules. All actions taken and all interpretations and determinations made by the Board in good faith shall be binding, conclusive and final upon Holder, the Company and all other interested persons. No member of the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, this Agreement or the Shares.

---

5.5 Restrictive Legends and Stop-Transfer Orders.

(a) Any share certificate(s) evidencing the Shares issued hereunder shall be endorsed with the following legend and any other legend(s) that may be required by any applicable federal or state securities laws:

THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO FORFEITURE IN FAVOR OF THE COMPANY AND MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF A RESTRICTED STOCK AWARD AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

(b) Holder agrees that, in order to ensure compliance with the restrictions referred to herein, the Company may issue appropriate "stop transfer" instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records.

(c) The Company shall not be required: (i) to transfer on its books any Shares that have been sold or otherwise transferred in violation of any of the provisions of this Agreement, or (ii) to treat as owner of such Shares or to accord the right to vote or pay dividends to any purchaser or other transferee to whom such Shares shall have been so transferred.

5.6 Tax Withholding.

(a) The Company shall be entitled to require payment of any sums required by federal, state or local tax law to be withheld with respect to the transfer of the Shares or the lapse of the Forfeiture Restriction with respect to the Shares, or any other taxable event related thereto. The Company may permit Holder to make such payment in one or more of the forms specified below:

- (i) by cash or check made payable to the Company;
- (ii) by the deduction of such amount from other compensation payable to Holder;
- (iii) by tendering Shares which are not subject to the Forfeiture Restriction and which have a then current Fair Market Value not greater than the amount necessary to satisfy the Company's withholding obligation based on the minimum statutory withholding rates for federal, state and local income tax and payroll tax purposes; or
- (iv) in any combination of the foregoing.

(b) In the event Holder fails to provide timely payment of all sums required by the Company pursuant to Section 5.6(a), the Company shall have the right and option, but not obligation, to treat such failure as an election by Holder to provide all or any portion of such required payment by means of tendering Shares in accordance with Section 5.6(a)(iii).

5.7 Notices. Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company in care of the Secretary of the Company, and any notice to be given to Holder shall be addressed to Holder at the address given beneath Holder's signature on the Grant Notice. By a notice given pursuant to this Section 5.7, either party may hereafter designate a different address for notices to be given to that party. Any notice shall be deemed duly given when sent via email or when sent by certified mail (return receipt requested) and deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service.

---

5.8 **Titles.** Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

5.9 **Governing Law; Severability.** This Agreement shall be administered, interpreted and enforced under the laws of the State of Delaware without regard to conflicts of laws thereof. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

5.10 **Conformity to Securities Laws.** Holder acknowledges that the Plan is intended to conform to the extent necessary with all provisions of the Securities Act and the Exchange Act and any and all regulations and rules promulgated by the Securities and Exchange Commission thereunder, and state securities laws and regulations. Notwithstanding anything herein to the contrary, the Plan shall be administered, and the Shares are to be issued, only in such a manner as to conform to such laws, rules and regulations. To the extent permitted by applicable law, the Plan and this Agreement shall be deemed amended to the extent necessary to conform to such laws, rules and regulations.

5.11 **Amendments.** This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by Holder and by a duly authorized representative of the Company.

5.12 **Successors and Assigns.** The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Holder and his or her heirs, executors, administrators, successors and assigns.

5.13 **Award Subject to Company Clawback or Recoupment.** To the extent permitted by applicable law, the Shares shall be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by the Board or required by law during the term of your employment or other Service with the Company that is applicable to you. In addition to any other remedies available under such policy, applicable law may require the cancellation of your Shares (whether vested or unvested) and the recoupment of any gains realized with respect to your Shares.

Maui Land & Pineapple Company, Inc.—Subsidiaries  
As of December 31, 2023

| Name                              | State of Incorporation | Percentage of Ownership |
|-----------------------------------|------------------------|-------------------------|
| Maui Pineapple Company, Ltd.      | Hawai'i                | 100                     |
| Kapalua Land Company, Ltd.        | Hawai'i                | 100                     |
| Kapalua Realty Company, Ltd.      | Hawai'i                | 100                     |
| Kapalua Advertising Company, Ltd. | Hawai'i                | 100                     |
| BRE2 LLC (a Joint Venture)        | Hawai'i                | 60                      |

**CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We consent to the incorporation by reference in Registration Statements No. 333-217538 and No. 333-273009 on Form S-8 of our report dated March 28, 2024, relating to the consolidated financial statements of Maui Land & Pineapple Company, Inc. and its subsidiaries (which report expresses unqualified opinions), appearing in this Annual Report on Form 10-K of Maui Land & Pineapple Company, Inc. for the years ended December 31, 2023 and 2022.

/s/ ACCUITY LLP

Honolulu, Hawai'i  
March 28, 2024

## CERTIFICATION

I, Race A. Randle, certify that:

1. I have reviewed this Annual Report on Form 10-K of Maui Land & Pineapple Company, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 28, 2024

By: \_\_\_\_\_ */s/ RACE A. RANDLE*  
Race A. Randle

*Chief Executive Officer*  
*Maui Land & Pineapple Company, Inc.*

## CERTIFICATION

I, Wade K. Kodama, certify that:

1. I have reviewed this Annual Report on Form 10-K of Maui Land & Pineapple Company, Inc. (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 28, 2024

By: \_\_\_\_\_ */s/ WADE K. KODAMA*  
 Wade K. Kodama  
*Chief Financial Officer*  
*Maui Land & Pineapple Company, Inc.*

## CERTIFICATION

In connection with the Annual Report of Maui Land & Pineapple Company, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2023 as filed with the Securities and Exchange Commission on March 28, 2024 (the "Report"), I, Race A. Randle, Chief Executive Officer of the Company, certify, pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)) and 18 U.S.C. Section 1350, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: \_\_\_\_\_ /s/ RACE A. RANDLE  
Race A. Randle  
Chief Executive Officer  
March 28, 2024

This certification accompanies this Report pursuant to Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.

**CERTIFICATION**

In connection with the Annual Report of Maui Land & Pineapple Company, Inc. (the "Company") on Form 10-K for the fiscal year ended December 31, 2023, as filed with the Securities and Exchange Commission on March 28, 2024 (the "Report"), I, Wade K. Kodama, Chief Financial Officer of the Company, certify, pursuant to Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 780(d)) and 18 U.S.C. Section 1350, that to the best of my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: \_\_\_\_\_ */s/ WADE K. KODAMA*  
Wade K. Kodama  
Chief Financial Officer  
March 28, 2024

This certification accompanies this Report pursuant to Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934 and 18 U.S.C. Section 1350 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934.