

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

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the quarterly period ended March 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the transition period from to

Commission file number: 001-06510

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

Delaware  
(State or other jurisdiction  
of incorporation or organization)

99-0107542  
(IRS Employer  
Identification No.)

500 Village Road, Lahaina, Maui, Hawaii 96761  
(Address of principal executive offices) (Zip Code)

(808) 877-3351  
(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

NYSE

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 an 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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 4, 2024
Common Stock, \$0.0001 par value	19,689,710 shares

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

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#### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This quarterly report on Form 10-Q (this "Quarterly Report") and other reports filed by us with the U.S. Securities and Exchange Commission (the "SEC") contain "forward-looking statements" intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance and are subject to known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance, or achievements to differ materially from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These statements include all statements included in or incorporated by reference to this Quarterly Report that are not statements of historical facts, which can generally be identified by words such as "anticipate," "believe," "continue" "could," "estimate," "expect," "intend," "may," "might," "project," "pursue," "will," "would," or the negative or other variations thereof or comparable terminology. We caution you that the foregoing list may not include all of the forward-looking statements made in this Quarterly Report. Actual results could differ materially from those projected in forward-looking statements as a result of the following factors, among others:

- the occurrence of natural disasters such as the Maui wildfires that occurred on August 8, 2023, changes in weather conditions, or threats of the spread of contagious diseases;
- concentration of credit risk on deposits held at banks in excess of the Federal Deposit Insurance Corporation (the "FDIC") insured limits and in receivables due 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;
- risks associated with real estate investments, including demand for real estate and tourism in Hawaii and Maui;
- security incidents through cyber-attacks or intrusions on our information systems;
- our ability to complete land development projects within forecasted time and budget expectations;
- our ability to obtain required land use entitlements at reasonable costs;
- our ability to compete with other developers of real estate on Maui;
- potential liabilities and obligations under various federal, state, and local environmental regulations;
- our ability to cover catastrophic losses in excess of insurance coverages;
- unauthorized use of our trademarks could negatively impact our business;
- our ability to maintain the listing of our common stock on the New York Stock Exchange;
- our ability to comply with funding requirements of our retirement plans;
- 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 date;
- availability of capital on terms favorable to us, and our ability to raise capital through the sale of certain real estate assets, or at all; and
- changes in U.S. accounting standards adversely impacting us.

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Such risks and uncertainties also include those risks and uncertainties discussed in the sections entitled "Business," "Risk Factors," and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report") and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in this Quarterly Report, as well as other factors described from time to time in our reports filed 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 Quarterly 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 Quarterly 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 Quarterly Report. We qualify all of our forward-looking statements by these cautionary statements.

**PART I FINANCIAL INFORMATION**

**Item 1. Condensed Consolidated Interim Financial Statements (unaudited)**

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

**CONDENSED CONSOLIDATED BALANCE SHEETS**

	<b>March 31, 2024 (unaudited)</b>	<b>December 31, 2023 (audited)</b>		
	(in thousands except share data)			
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 5,377	\$ 5,700		
Accounts receivable, net	1,253	1,166		
Investment in debt securities, current portion	2,589	2,671		
Prepaid expenses and other assets	347	467		
<b>Total current assets</b>	<b>9,566</b>	<b>10,004</b>		
<b>PROPERTY &amp; EQUIPMENT, NET</b>	<b>16,027</b>	<b>16,059</b>		
<b>OTHER ASSETS</b>				
Investment in debt securities, net of current portion	587	464		
Investment in joint venture	1,627	1,608		
Deferred development costs	12,860	12,815		
Other noncurrent assets	1,388	1,273		
<b>Total other assets</b>	<b>16,462</b>	<b>16,160</b>		
<b>TOTAL ASSETS</b>	<b>\$ 42,055</b>	<b>\$ 42,223</b>		
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>				
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Accounts payable	\$ 1,408	\$ 1,154		
Payroll and employee benefits	217	502		
Accrued retirement benefits, current portion	142	142		
Deferred revenue, current portion	308	217		
Other current liabilities	475	465		
<b>Total current liabilities</b>	<b>2,550</b>	<b>2,480</b>		
<b>LONG-TERM LIABILITIES</b>				
Accrued retirement benefits, net of current portion	1,528	1,550		
Deferred revenue, net of current portion	1,333	1,367		
Deposits	2,078	2,108		
Other noncurrent liabilities	12	14		
<b>Total long-term liabilities</b>	<b>4,951</b>	<b>5,039</b>		
<b>TOTAL LIABILITIES</b>	<b>7,501</b>	<b>7,519</b>		
<b>COMMITMENTS AND CONTINGENCIES</b>				
<b>STOCKHOLDERS' EQUITY</b>				
Preferred stock--\$0.0001 par value; 5,000,000 shares authorized; no shares issued and outstanding	-	-		
Common stock--\$0.0001 par value; 43,000,000 shares authorized; 19,641,045 and 19,615,350 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively	85,201	84,680		
Additional paid-in-capital	11,174	10,538		
Accumulated deficit	(54,992)	(53,617)		
Accumulated other comprehensive loss	(6,829)	(6,897)		
<b>Total stockholders' equity</b>	<b>34,554</b>	<b>34,704</b>		
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>\$ 42,055</b>	<b>\$ 42,223</b>		

See Notes to Condensed Consolidated Interim Financial Statements

**MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)**  
**(UNAUDITED)**

	Three Months Ended March 31,	
	2024	2023
	(in thousands except per share amounts)	
<b>OPERATING REVENUES</b>		
Land development and sales	\$ -	\$ -
Leasing	2,216	2,077
Resort amenities and other	267	221
<b>Total operating revenues</b>	<b>2,483</b>	<b>2,298</b>
<b>OPERATING COSTS AND EXPENSES</b>		
Land development and sales	266	83
Leasing	992	794
Resort amenities and other	436	549
General and administrative	1,057	1,025
Share-based compensation	959	964
Depreciation	172	253
<b>Total operating costs and expenses</b>	<b>3,882</b>	<b>3,668</b>
<b>OPERATING LOSS</b>	<b>(1,399)</b>	<b>(1,370)</b>
Other income	104	129
Pension and other post-retirement expenses	(78)	(121)
Interest expense	(2)	(2)
<b>NET LOSS</b>	<b>\$ (1,375)</b>	<b>\$ (1,364)</b>
Other comprehensive income - pension, net	68	82
<b>TOTAL COMPREHENSIVE LOSS</b>	<b>\$ (1,307)</b>	<b>\$ (1,282)</b>
<b>NET LOSS PER COMMON SHARE-BASIC AND DILUTED</b>	<b>\$ (0.07)</b>	<b>\$ (0.07)</b>

See Notes to Condensed Consolidated Interim Financial Statements

**MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
**For the Three Months Ended March 31, 2024 and 2023**  
**(UNAUDITED)**  
(in thousands)

	<b>Common Stock</b>		<b>Additional Paid in Capital</b>		<b>Accumulated Deficit</b>		<b>Accumulated Other Comprehensive Loss</b>		<b>Total</b>
	<b>Shares</b>	<b>Amount</b>							
Balance, January 1, 2024	19,615	\$ 84,680	\$ 10,538	\$ (53,617)	\$ (6,897)	\$ 34,704			
Share-based compensation	18	411	814						1,225
Vested restricted stock issued	11	178	(178)						-
Shares cancelled to pay tax liability	(3)	(68)	-						(68)
Other comprehensive income - pension							68		68
Net loss	-	-	-	(1,375)			-		(1,375)
<b>Balance, March 31, 2024</b>	<b>19,641</b>	<b>\$ 85,201</b>	<b>\$ 11,174</b>	<b>\$ (54,992)</b>	<b>\$ (6,829)</b>	<b>\$ 34,554</b>			
Balance, January 1, 2023	19,477	\$ 83,392	\$ 9,184	\$ (50,537)	\$ (8,267)	\$ 33,772			
Share-based compensation	67	620	821						1,441
Vested restricted stock issued	82	821	(821)						-
Shares cancelled to pay tax liability	(50)	(544)	-						(544)
Other comprehensive income - pension	-	-	-				82		82
Net loss	-	-	-	(1,364)			-		(1,364)
<b>Balance, March 31, 2023</b>	<b>19,576</b>	<b>\$ 84,289</b>	<b>\$ 9,184</b>	<b>\$ (51,901)</b>	<b>\$ (8,185)</b>	<b>\$ 33,387</b>			

See Notes to Condensed Consolidated Interim Financial Statements.

**MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(UNAUDITED)**

	<b>Three Months Ended March 31,</b>	
	<b>2024</b>	<b>2023</b>
	(in thousands)	
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	\$ (10)	\$ 731
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property and deferred development costs	(185)	(2)
Contributions to investment in joint venture	(19)	-
Purchases of debt securities	(1,344)	(426)
Maturities of debt securities	1,303	395
NET CASH USED IN INVESTING ACTIVITIES	<u>(245)</u>	<u>(33)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Common stock issuance costs and other	(68)	(544)
NET CASH USED IN FINANCING ACTIVITIES	<u>(68)</u>	<u>(544)</u>
NET (DECREASE) INCREASE IN CASH	(323)	154
CASH AT BEGINNING OF PERIOD	5,700	8,509
CASH AT END OF PERIOD	<u>\$ 5,377</u>	<u>\$ 8,663</u>

**SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:**

- Capitalized property and deferred development costs in accounts payable were \$ 0.4 million at March 31, 2024.
- Common stock issued under the Company's 2017 Equity and Incentive Award Plan was \$ 0.6 million and \$ 0.6 million for the three months ended March 31, 2024 and 2023, respectively.

See Notes to Condensed Consolidated Interim Financial Statements.

**MAUI LAND & PINEAPPLE COMPANY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**For the Three Months Ended March 31, 2024 and 2023**

**1. BASIS OF PRESENTATION**

The accompanying unaudited condensed consolidated interim financial statements have been prepared by Maui Land & Pineapple Company, Inc. (together with its subsidiaries, the "Company") in conformity with generally accepted accounting principles in the United States of America ("GAAP") for interim financial information that are consistent in all material respects with those applied in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report"), and pursuant to the instructions to Form 10-Q and Article 8 of Regulation S-X of the U.S. Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and notes to the annual audited consolidated financial statements required by GAAP for complete financial statements. In the opinion of management, the accompanying unaudited condensed consolidated interim financial statements contain all normal and recurring adjustments necessary to fairly present the Company's consolidated financial position, results of operations and cash flows for the interim periods ended March 31, 2024 and 2023. The unaudited condensed consolidated interim financial statements and notes should be read in conjunction with the annual audited consolidated financial statements and notes thereto included in the Annual Report.

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."

**2. CASH AND CASH EQUIVALENTS**

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

**3. INVESTMENTS IN DEBT 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).

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Amortized cost and fair value of corporate debt securities at March 31, 2024 and December 31, 2023 consisted of the following:

	March 31, 2024 (unaudited)	December 31, 2023 (audited)
	(in thousands)	
Amortized cost	\$ 3,176	\$ 3,135
Unrealized gains	1	4
<b>Fair value</b>	<b>\$ 3,177</b>	<b>\$ 3,139</b>

Maturities of debt securities at March 31, 2024 and December 31, 2023 were as follows:

	March 31, 2024 (unaudited)		December 31, 2023 (audited)	
	Amortized Cost	Fair Value (in thousands)	Amortized Cost	Fair Value
	\$ 2,589	\$ 2,589	\$ 2,671	\$ 2,671
One year or less	587	588	464	468
<b>Greater than one year through five years</b>	<b>\$ 3,176</b>	<b>\$ 3,177</b>	<b>\$ 3,135</b>	<b>\$ 3,139</b>

The fair value of debt securities was measured using Level 2 inputs, which are based on quotes for trades occurring in active markets for identical assets.

#### 4. PROPERTY & EQUIPMENT

Property and equipment at March 31, 2024 and December 31, 2023 consisted of the following:

	March 31, 2024 (unaudited)		December 31, 2023 (audited)	
	(in thousands)	(in thousands)	(in thousands)	(in thousands)
Land	\$ 5,052	\$ 5,052	\$ 13,862	\$ 13,853
Land improvements	22,869	22,869	10,500	10,500
Buildings	131	-	52,414	52,274
Machinery and equipment	36,387	36,215	\$ 16,027	\$ 16,059
Construction in progress				
Total property and equipment				
Less accumulated depreciation				
<b>Property and equipment, net</b>				

##### *Land*

The Company holds approximately 22,300 acres of land. Most of this land was acquired between 1911 and 1932 and is carried in its balance sheets at cost. More than 20,400 acres are located in West Maui and are comprised of largely contiguous parcels which extend from the ocean to an elevation of approximately 5,700 feet. The West Maui landholdings include approximately 1,000 acres within Kapalua Resort, a master-planned, destination resort and residential community. Approximately 1,400 acres are located in Upcountry Maui in an area commonly known as Hali'imaile and is mainly comprised of leased agricultural fields, commercial and light industrial properties.

##### *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. A majority of the Company's land improvements were either constructed and placed in service in the mid-to-late 1970s or conveyed in 2017. Depreciation expense would be considerably higher if these assets were stated at current replacement cost.

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### *Buildings*

The Company holds approximately 266,000 square feet of leasable area on the island of Maui. Buildings are comprised of restaurant, retail, and light industrial spaces located at the Kapalua Resort and in Hali'imaile. A majority of the Company's buildings were constructed and placed in service in the mid-to-late 1970s. Depreciation expenses 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 of approximately 30 acres of former pineapple lands in Hali'imaile valued at \$ 1.6 million. The Company provided to BRE2LLC additional funding of \$ 19,000 during the three months ended March 31, 2024. Net proceeds from the sales of improved agricultural lots will be distributed, when funds are available for distribution, according to terms of the joint venture agreement.

## **6. CONTRACT ASSETS AND LIABILITIES**

Receivables from contracts with customers were \$ 0.7 million and \$ 0.4 million at March 31, 2024 and December 31, 2023, respectively.

### *Deferred club membership revenue*

The Company operates the Kapalua Club, a private, non-equity club program providing members special programs, access and other privileges at certain of the amenities within the Kapalua Resort. Deferred revenues from membership dues received from the Kapalua Club are recognized on a straight-line basis over one year. Revenue recognized for each of the three months ended March 31, 2024 and 2023 was \$0.2 million.

### *Deferred license fee revenue*

Effective April 1, 2020, the Company entered into a trademark license agreement (the "Agreement") with Kapalua Golf (the "Licensee"), the owner of Kapalua Plantation and Bay golf courses. 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 royalty payment of \$2.0 million in March 2020. Revenue recognized on a straight-line basis over its estimated economic useful life of 15 years was \$33,333 for each of the three months ended March 31, 2024 and 2023.

## **7. LONG-TERM DEBT**

Long-term debt is comprised of amounts outstanding under the Company's \$ 15.0 million revolving line of credit facility ("Credit Facility") with First Hawaiian Bank ("Bank") maturing on December 31, 2025. The Credit Facility provides options for revolving or term loan borrowing. Interest on loan borrowing is based on the Bank's prime rate minus 1.125 percentage points. Interest on term loan borrowing may be fixed at the Bank's commercial loan rates using an interest rate swap option. 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 of new indebtedness on collateralized properties without the prior written consent of the Bank.

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The outstanding balance of the Credit Facility was zero at March 31, 2024 and December 31, 2023. The Company was in compliance with Credit Facility at March 31, 2024.

## **8. ACCRUED RETIREMENT BENEFITS**

Accrued retirement benefits at March 31, 2024 and December 31, 2023 consisted of the following:

	<b>March 31, 2024 (unaudited)</b>	<b>December 31, 2023 (audited)</b>
	(in thousands)	
Defined benefit pension plan	\$ (43)	\$ (33)
Non-qualified retirement plans	<u>1,713</u>	<u>1,725</u>
<b>Total</b>	<b>1,670</b>	<b>1,692</b>
Less current portion	142	142
<b>Non-current portion of accrued retirement benefits</b>	<b>\$ 1,528</b>	<b>\$ 1,550</b>

The Company has a defined benefit pension plan, which covers many of its former bargaining unit employees and an unfunded non-qualified plan covering nine former non-bargaining unit management employees and former executives. In 2009, the non-qualified retirement plan was frozen, and in 2011, the pension benefits under the qualified plan were frozen. All future vesting of additional benefits were discontinued effective in 2009 for the non-qualified plan and in 2011 for the qualified plan. The Board of Directors approved the termination of the defined benefit pension plan and the non-qualified retirement plan in 2023.

The net periodic benefit costs for pension and post-retirement benefits for the three months ended March 31, 2024 and 2023 were as follows:

	<b>Three Months Ended March 31, (unaudited)</b>	
	<b>2024</b>	<b>2023</b>
	(in thousands)	
Interest cost	\$ 184	\$ 203
Expected return on plan assets	(174)	(164)
Amortization of net loss	68	82
<b>Pension and other postretirement expenses</b>	<b>\$ 78</b>	<b>\$ 121</b>

No contributions are required to be made to the defined benefit pension plan in 2024.

## **9. COMMITMENTS AND CONTINGENCIES**

On December 31, 2018, the State of Hawaii 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 1960s to serve approximately 200 single-family homes developed for workers in the Company's former agricultural operations. The facility is comprised 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 a new 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 on February 15, 2024, 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 in 2023. Test results from wastewater monitoring indicate effluent concentration amounts within allowable ranges. A feasibility study was prepared and submitted on January 15, 2024, identifying various technical solutions that could be implemented to resolve the Order. The Company submitted a plan and proposed solution to resolve the Order on March 14, 2024. 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-Q.

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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 leases space in commercial buildings primarily to restaurant and retail tenants with terms through 2048. These operating leases generally provide for minimum rents and, in some cases, 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 agreement. There are no leases allowing a lessee an option to purchase the underlying asset. Leasing income subject to ASC Topic 842 for the three months ended March 31, 2024 and 2023 were as follows:

	<b>Three Months Ended March 31, (unaudited)</b>	
	<b>2024</b>	<b>2023</b>
	<b>(in thousands)</b>	
Minimum rentals	\$ 964	\$ 806
Percentage rentals	605	495
Licensing fees	33	223
Other	267	205
<b>Total</b>	<b>\$ 1,869</b>	<b>\$ 1,729</b>

## **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 or employment from the Company.

Options to purchase shares of the Company's common stock under the Equity Plan were granted to directors in 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 250,000 shares, 78,000 shares, and 400,000, 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 one year. The exercise price per share was 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 three months ended March 31, 2024, 82,000 shares of stock options vested to directors for annual board and committee service.

For continued board service of the Chairman, the stock option grant has a contractual period of ten years which vests as follows: 133,334 shares on June 1, 2024, 133,333 shares on June 1, 2025, and 133,333 shares on June 1, 2026. The exercise price per share was 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 these grants 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 3.53%. There were 400,000 of unvested share options, or \$1.1 million or unrecognized compensation cost, related to the continued service of Chairman of the Board at March 31, 2024.

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An option to purchase 400,000 shares of the Company's common stock under the Equity Plan was granted to the Company's Chief Executive Officer during the three months ended March 31, 2024. The stock option grant has a contractual period of ten years and vests annually as follows: 133,334 shares on January 1, 2025, 133,333 shares on January 1, 2026, and 133,333 shares on January 1, 2027. The exercise price per share was 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%. There were 400,000 shares of unvested share options, or \$2.2 million of unrecognized compensation cost at March 31, 2024.

The simplified method described in Staff Accounting Bulletin No. 107 was used by management due to the lack of historical option exercise behavior. The Company does not currently issue dividends. There were no forfeitures of stock option grants as of March 31, 2024. Management does not anticipate future forfeitures to be material.

Share-based compensation expenses totaled \$1.0 million for each of the three months ended March 31, 2024 and 2023. Included in these amounts were \$0.2 million and \$0.8 million of restricted common stock vested during the three months ended March 31, 2024 and 2023, respectively, and \$0.6 million of stock options vested during the three months ended March 31, 2023.

## **12. INCOME TAXES**

The Company uses 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 full valuation allowance was established for deferred income tax assets at March 31, 2024, and December 31, 2023, respectively.

## **13. EARNINGS (LOSS) PER SHARE**

Basic net income (loss) per common share is computed by dividing net income by the weighted-average number of common shares outstanding. Diluted net income 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 the dilutive potential common shares had been issued. Potentially dilutive shares arise from non-vested restricted stock and non-qualified stock options granted under the Company's Equity Plan. The treasury stock method is applied to determine the number of potentially dilutive shares.

Basic and diluted weighted-average shares outstanding for the three months ended March 31, 2024 were 19.6 million and 19.9 million, respectively. Basic and diluted weighted-average shares outstanding for the three months ended March 31, 2023, were 19.5 million.

## **14. REPORTABLE OPERATING SEGMENTS**

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 operating decision maker – in assessing performance and determining the allocation of resources and by the Board of Directors. Reportable operating segments are as follows:

- Land development and sales include the planning, entitlement, development, and sale of real estate inventory.
- Leasing 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 watershed conservation activities. The operating segment also includes the revenues and expenses from the management of ditch, reservoir and well systems that provide non-potable irrigation water to West and Upcountry Maui areas.
- Resort amenities include the Kapalua Club, which provides certain benefits and privileges within the Kapalua Resort for its members.

The Company's reportable operating segment results are measured based on operating income (loss), exclusive of interest, depreciation, general and administrative, and share-based compensation.

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Reportable operating segment revenues and income for the three months ended March 31, 2024 and 2023 did not include any revenue from land sales in these respective periods as no sales were made in either such period. The lack of such sales is purposeful as the Company is evaluating its commercial assets and land holdings to determine better utilization for the value creation of its assets. The reportable segment data is presented as follows:

	Three Months Ended March 31, (unaudited)	
	2024	2023
	(in thousands)	
Operating Segment Revenues		
Land development and sales	\$ -	\$ -
Leasing	2,216	2,077
Resort amenities and other	267	221
Total Operating Segment Revenues	<u>\$ 2,483</u>	<u>\$ 2,298</u>
Operating Segment Income (Loss)		
Land development and sales	\$ (266)	\$ (83)
Leasing	1,224	1,283
Resort amenities and other	(169)	(328)
Total Operating Segment Income	<u>\$ 789</u>	<u>\$ 872</u>

## **15. 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 unaudited condensed consolidated interim 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 all cash on hand to be unrestricted cash for the purposes of the unaudited condensed consolidated balance sheets and unaudited condensed 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 method to determine the valuation of stock options granted to directors during the three months ended March 31, 2024 is described in Note 11.

## **Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis of our unaudited condensed consolidated interim financial condition and results of operations should be read in conjunction with our annual audited consolidated financial statements and related notes included in our Annual Report on Form 10-K for the year ended December 31, 2023 (our "Annual Report") and the unaudited condensed consolidated interim financial statements and related notes included in this Quarterly Report on Form 10-Q (this "Quarterly Report"). 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 Quarterly 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.

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### **Overview**

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.

We own and steward a portfolio including approximately 22,300 acres of land on the island of Maui, Hawaii along with 266,000 square feet of commercial properties. For over a century, we have built a legacy of authentic innovation through conservation, agriculture, community building and land management. To continue this legacy, we are driven by a renewed mission to carefully maximize our assets to be actively used to their fullest potential, resulting in added value to the company by building resiliency for future generations.

In April 2023, we began a leadership transition with the addition of a Chief Executive Officer and Chairman of the Board, both of whom are experienced in real estate planning, development, and asset management. The transition continued with the addition of three executive leadership team members with planning, community development, land and natural resource stewardship and real estate expertise. To further establish and execute land utilization strategies, we intend to make investments to build a lean, experienced team with the necessary capabilities to accomplish market research, project management and planning, and engineering services.

Under an initiative by the new leadership team, we have audited our diverse portfolio of assets. The initial results of this review identified a material opportunity to increase the level of utilization, occupancy, and stabilized income from our operating assets that will enable future growth.

At March 31, 2024, our commercial properties and land were occupied at the following levels:

Commercial Real Estate (CRE)	Total	Leased		Vacant	
	(square feet)	Sq. ft.	Percent	Sq. ft.	Percent
Industrial	185,647	149,196	80%	36,451	20%
Office	12,519	12,519	100%	0	0%
Retail	63,033	53,775	85%	9,258	15%
Residential	5,055	3,900	77%	1,155	23%
<b>Total CRE</b>	<b>266,254</b>	<b>219,390</b>	<b>82%</b>	<b>46,864</b>	<b>18%</b>

Land	Total	Leased		Vacant	
	(acres)	Acres	Percent	Acres	Percent
Comm./Ind.	22	22	100%	0	0%
Residential	933	12	1%	921	99%
Agriculture	10,981	3,627	33%	7,354	67%
Conservation	10,350	-	0%	10,350	100%
<b>Total (acres)</b>	<b>22,286</b>	<b>3,661</b>	<b>16%</b>	<b>18,625</b>	<b>84%</b>

To improve our operating revenue from our commercial properties, we have developed updated tenanting plans with a focus on thoughtful placemaking in our Kapalua, Haliimaile and Alaeloa commercial centers. Despite the challenges following the 2023 Maui wildfires, the effort to increase occupancy in the town centers resulted in an 8% year-over-year growth in revenue and an 18% improvement in overall occupancy for the period April 1, 2023 to March 31, 2024. Paired with these placemaking efforts, we have begun executing land strategies for the surrounding, undeveloped areas adjacent to the town centers. We anticipate short-term fluctuations in earnings as we improve tenant occupancy. We intend to attract a diverse merchant mix to reposition our spaces at market rents. Long-term positive impacts to operating revenues are expected as the occupancy of our existing commercial real estate and utilization of our land holdings continue to improve.

Our primary goal is to execute our established strategies to activate our land holdings to meet the long-term needs of the community, including the provision of land for agriculture and housing in a supply-constrained market. We expect long-term positive changes in land development and sales revenues as we have begun to list our non-strategic lands for sale, list large tracts of agricultural land for lease, and strategically develop land.

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**Results of Operations**

*Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023*

CONSOLIDATED

	Three Months Ended March 31, (unaudited)	
	2024	2023
	(in thousands except per share amounts)	
<i>Operating revenues</i>	\$ 2,483	\$ 2,298
Segment operating costs and expenses	(1,694)	(1,426)
General and administrative	(1,057)	(1,025)
Share-based compensation	(959)	(964)
Depreciation	(172)	(253)
Operating (loss)	(1,399)	(1,370)
Other income	104	129
Pension and other postretirement expenses	(78)	(121)
Interest expense	(2)	(2)
<i>Net (loss)</i>	<u>\$ (1,375)</u>	<u>\$ (1,364)</u>
<i>Net (loss) per Common Share</i>	\$ (0.07)	\$ (0.07)

LAND DEVELOPMENT AND SALES

	Three Months Ended March 31, (unaudited)	
	2024	2023
	(in thousands)	
<i>Operating revenues</i>	\$ -	\$ -
Operating costs and expenses	(266)	(83)
<i>Operating (loss)</i>	<u>\$ (266)</u>	<u>\$ (83)</u>

Real estate operating revenues include the sales of our real estate inventory. There were no sales of real estate during the three months ended March 31, 2024 and the three months ended March 31, 2023. This is purposeful as the Company is evaluating its commercial assets and land holdings to determine better utilization to value creation of its assets.

In December 2021, we entered into an agreement to sell the Kapalua Central Resort project for \$40.0 million. On May 13, 2022, terms of the agreement were 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. We allowed the agreement to expire on April 11, 2023. The development plans for our real estate holdings continue to be reviewed and evaluated. We continue to manage the application process of the SMA permit extension for the Kapalua Central Resort project while the project continues to be marketed for sale or joint venture.

In December 2023, we contributed approximately 30-acres of land in Upcountry Maui, valued at \$1.6 million, to BRE2 LLC, a joint venture between the Company and Stone Properties, for the 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 total approximately \$4.1 million, with approximately \$2.2 million constituting our share of the sales proceeds, which we expect to occur between late 2024 to mid-2025.

There were no significant real estate development expenditures during the three months ended March 31, 2024 and 2023.

Real estate development and sales are cyclical and depend on several factors, such as interest rates and demand. Results from one period are not 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 Maui wildfire accelerated our efforts to get land into productive use to meet these critical needs.

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LEASING

	Three Months Ended March 31, (unaudited)	
	2024	2023
	(in thousands)	
<i>Operating revenues</i>	\$ 2,216	\$ 2,077
<i>Operating costs and expenses</i>	(992)	(794)
<i>Operating income</i>	<u>\$ 1,224</u>	<u>\$ 1,283</u>

Operating revenues from leasing activities for the three months ended March 31, 2024, were comprised primarily of \$1.9 million from commercial, industrial, and agricultural leases, and the remaining \$0.3 million was comprised of \$33,000 of licensing fees from our registered trademarks and trade names, \$175,000 from potable and non-potable water system sales and \$85,000 in grant revenue from the State of Hawai'i for conservation management of our Pu'u Kukui Watershed. Operating revenue from leasing activities for the three months ended March 31, 2023, were primarily comprised of \$1.8 million from commercial, industrial, and agricultural leases, and the remaining \$0.3 million was comprised of \$33,000 of licensing fees from our registered trademarks and trade names, \$183,000 from potable and non-potable water system sales and \$72,000 in grant revenue from the State of Hawai'i for conservation management.

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 increased 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 revenues for tourism based tenants. The \$1.9 million of operating revenues from leasing activities for the three months ended March 31, 2024, compared to \$1.8 million for the three months ended March 31, 2023 is an indication that tourism and visitor traffic is returning to pre-pandemic levels.

The increase in leasing operating costs and expenses for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, can be attributed to higher property maintenance costs for our commercial leasing portfolio properties, which had been deferred in prior years, hiring a property management and leasing firm to grow our leasing portfolio, and the start-up costs and fees associated with our leasing portfolio.

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

RESORT AMENITIES AND OTHER

	Three Months Ended March 31, (unaudited)	
	2024	2023
	(in thousands)	
<i>Operating revenues</i>	\$ 267	\$ 221
<i>Operating costs and expenses</i>	(436)	(549)
<i>Operating loss</i>	<u>\$ (169)</u>	<u>\$ (328)</u>

Our Resort Amenities segment includes the operations of the Kapalua Club, a private, non-equity club that provides its members special programs and 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 increase in operating revenues for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, was due to new memberships being sold for the first time since 2019 and the Kapalua Club management team focusing on offering fee-based club events to members.

Contracted fee expenses decreased for the three months ended March 31, 2024, compared to the three months ended March 31, 2023, due to decreased fees for access and utilization of golf privileges.

The Kapalua Club has undergone restructuring in 2023. Its revised policies and practices have been implemented to reduce the impact of the amenity fees and to better align club dues and club expenses. The Kapalua Club began to accept new membership applications beginning late 2023.

GENERAL AND ADMINISTRATIVE COSTS, SHARE-BASED COMPENSATION

General and administrative costs and share-based compensation for each of the three months ended March 31, 2024 and March 31, 2023, amounted to \$2.0 million.

Share-based compensation costs and share-based compensation for each of the three months ended March 31, 2024 and March 31, 2023 amounted to \$1.0 million. Although the costs were consistent in amount, the composition of the share-based compensation for the three months ended March 31, 2024, as compared to the three months ended March 31, 2023, was vastly different. These differences are explained in the paragraphs below.

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An option to purchase 400,000 shares of the Company's common stock under the Equity Plan was granted to the Company's Chief Executive Officer during the three months ended March 31, 2024, none of these options shares vested during this period. Additional information of the option issuance to the CEO is detailed in Note 11 of the financial statements. For the three months ended March 31, 2024, director options to purchase 82,000 shares and 164,000 shares vested for annual board and committee service, respectively. This expense was not incurred during the three month period ending March 31, 2023. During the three months ended March 31, 2023, \$0.7 million was incurred for restricted stock vesting for the former Chief Executive Officer upon his separation from the Company – there was no comparable expense in the three months ended March 31, 2024.

To summarize the composition of the share-based compensation, for the three month period ended March 31, 2024, the \$1.0 million of expense was comprised of \$0.7 million of stock option expense and \$0.3 million of restricted stock vesting, and for the three month period ended March 31, 2023, \$1.0 million was due to restricted stock vesting, with \$0.7 million of that amount directly attributed to the vesting of the former Chief Executive Officer's incentive shares upon separation from the Company.

## OTHER INCOME

Interest income of \$0.1 million was earned on our money market and bond investment portfolio during the three months ended March 31, 2024 and March 31, 2023. The Company does not maintain or possess any off-balance sheet financing nor transactions.

## LIQUIDITY AND CAPITAL RESOURCES

### *Liquidity*

Our cash and cash equivalents were \$5.4 million and \$5.7 million (audited) at March 31, 2024 and December 31, 2023, respectively.

We also had investments of \$3.2 million and \$3.1 million at March 31, 2024 and December 31, 2023, respectively. Our investments consist of corporate bond securities maturing on various dates through January 2025. These bond investments yield approximately 5.5% at March 31, 2024. We intend to hold our bond securities until maturity.

At March 31, 2024, \$15.0 million was available from our revolving line of credit facility ("Credit Facility") with First Hawaiian Bank ("Bank"). The Credit Facility, which matures on December 31, 2025, provides for revolving or term loan borrowing options. Interest on revolving loan borrowings is calculated using 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 of our Credit Facility at March 31, 2024. We may borrow under our credit facility to invest in, and build value in, our assets and fund working capital if economic conditions are negatively impacted in future periods.

### *Cash Flows*

Net cash flow provided by (used in) our operating activities for the three months ended March 31, 2024 was \$(10) thousand and \$0.7 million for the three months ended March 31, 2023.

There were no sales of real estate during the three months ended March 31, 2024, or the three months ended March 31, 2023.

Interest income earned from our money market and bond investments was \$0.1 million for each of the three months ended March 31, 2024, and March 31, 2023.

The outstanding balance of our Credit Facility remained zero at March 31, 2024. There were no interest payments due on our Credit Facility during the three months ended March 31, 2024.

No contributions are required to be made to our defined benefit pension plan in 2024.

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### **Capital Resources**

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 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 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**

The preparation of the unaudited condensed consolidated interim financial statements in conformity with GAAP requires the use of accounting estimates. Changes in these estimates and assumptions are considered reasonably possible and may have a material effect on the unaudited condensed consolidated interim financial statements and thus actual results could differ from the amounts reported and disclosed herein. For additional information regarding our critical accounting policies, see the section title *Critical Accounting Policies and Estimates* in Part II, Item 7, within our Annual Report. There have been no material changes to the critical accounting policies and key estimates and assumptions disclosed in our Annual Report.

### **Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We have no material exposure to changes in interest rates related to our borrowing and investing activities used to maintain liquidity and to fund business operations. We have no material exposure to foreign currency risks.

We are subject to potential changes in consumer behavior and regulatory risks through travel and social distancing restrictions due to our location as a vacation destination. Potential deferrals and abatements may impact our rental income.

### **Item 4. CONTROLS AND PROCEDURES**

#### ***Evaluation of Disclosure Controls and Procedures***

We maintain disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) that are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the U.S. Securities and Exchange Commission's ("SEC") 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 timely decisions regarding required disclosure.

In designing and evaluating the disclosure controls and procedures, our management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rules 13a-15(b) and 15d-15(b) under the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures at the end of the fiscal quarter covered by this report. Based upon the foregoing, our Principal Executive Officer and Principal Financial Officer concluded that our disclosure controls and procedures were effective during the three months ended March 31, 2024 to provide reasonable assurance that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in applicable SEC rules and forms.

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### **Changes in Internal Controls Over Financial Reporting**

There have been no significant changes 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 three months ended March 31, 2024 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

## **PART II OTHER INFORMATION**

### **Item 1. LEGAL PROCEEDINGS**

For information related to Item 1. Legal Proceedings, refer to Note 9, *Commitments and Contingencies*, to our condensed consolidated interim financial statements included herein.

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

Potential risks and uncertainties include, among other things, those factors discussed in the sections entitled “Business,” “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report and the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in this Quarterly Report. Readers should carefully review those risks and the risks and uncertainties disclosed in other documents we file from time to time with the SEC. We undertake no obligation to publicly release the results of any revisions to any forward-looking statements to reflect anticipated or unanticipated events or circumstances occurring after the date of such statements. During the three months ended March 31, 2024, there were no material changes to the risks and uncertainties described in Part I, Item 1A., “Risk Factors,” of our Annual Report.

### **Item 6. EXHIBITS**

2.1 [Plan of Conversion of Maui Land & Pineapple Company, Inc., a Hawaii corporation, into Maui Land & Pineapple Company, Inc., a Delaware corporation incorporated herein by reference on Exhibit 2.1 to the Form 8-K previously filed on July 20, 2022.](#)

31.1\* [Certification of Principal Executive Officer pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934, adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended.](#)

31.2\* [Certification of Principal Financial Officer pursuant to Rule 13a-14\(a\) under the Securities Exchange Act of 1934, adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, as amended.](#)

32.1\*\* [Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended.](#)

32.2\*\* [Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended.](#)

101.INS\* Inline XBRL Instance Document

101.SCH\* Inline XBRL Taxonomy Extension Schema Document

101.CAL\* Inline XBRL Taxonomy Extension Calculation Document

101.DEF\* Inline XBRL Taxonomy Extension Definition Linkbase

101.LAB\* Inline XBRL Taxonomy Extension Labels Linkbase Document

101.PRE\* Inline XBRL Taxonomy Extension Presentation Link Document

104\* Cover Page In Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith

\*\* The certifications attached as Exhibit 32.1 and 32.2 accompany this Quarterly Report on Form 10-Q pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, shall not be deemed “filed” by the registrant for purposes of Section 18 of the Exchange Act, and shall not be incorporated by reference into any of the registrant’s filings under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report, irrespective of any general incorporation language contained in any such filing.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MAUI LAND & PINEAPPLE COMPANY, INC.

May 13, 2024

Date

/s/ WADE K. KODAMA

Wade K. Kodama

*Chief Financial Officer*

(Principal Financial Officer)

**Certification of CEO Pursuant to  
Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to  
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Race Randle, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Maui Land & Pineapple Company, Inc.;
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: May 13, 2024

/s/ RACE RANDLE

Name: Race Randle  
Title: Chief Executive Officer  
(Principal Executive Officer)

**Certification of CFO Pursuant to  
Securities Exchange Act Rules 13a-14 and 15d-14 as Adopted Pursuant to  
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Wade K. Kodama, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Maui Land & Pineapple Company, Inc.;
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: May 13, 2024

/s/ WADE K. KODAMA

Name: Wade K. Kodama  
Title: Chief Financial Officer  
(Principal Financial Officer)

The following certifications are being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. These certifications shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**Certification**  
**Pursuant to 18 U.S.C. Section 1350,**  
**as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Maui Land & Pineapple Company, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Race Randle, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78m or 78o(d)), as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented.

/s/ RACE RANDLE

Race Randle  
Chief Executive Officer  
(Principal Executive Officer)

Date: May 13, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

The following certifications are being furnished solely to accompany the Report pursuant to 18 U.S.C. § 1350 and in accordance with SEC Release No. 33-8238. These certifications shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**Certification**  
**Pursuant to 18 U.S.C. Section 1350,**  
**as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Quarterly Report of Maui Land & Pineapple Company, Inc. (the "Company") on Form 10-Q for the quarter ended March 31, 2024 as filed with the Securities and Exchange Commission (the "Report"), I, Wade K. Kodama, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. Section 78m or 78o(d)), as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods presented.

/s/ WADE K. KODAMA

Wade K. Kodama  
Chief Financial Officer  
(Principal Financial Officer)

Date: May 13, 2024

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.