

KONA HILLS • HAWAI'I ISLAND • A PROPOSED mORGANIC ESTATE ACQUISITION

Kona Hills Fact Sheet

The land, the price and the risks on two pages: everything we can share before verification.

mOrganic Holdings, LLC has a time-limited agreement to acquire the 1,983-acre Kona Hills heritage coffee estate from a bank-appointed receiver, in a court-supervised sale, for **\$15.0 million**. The independent as-is appraisal is **\$41.8 million** (Grattan Park Inc., GP-035, reaffirmed effective 7 September 2026): **36 cents on the appraised dollar**. About 254,570 coffee trees are in the ground, and the estate harvested 2.12 million pounds of cherry in 2024/25. The land did not fail. A business model did: every pound sold as commodity green bean at roughly a 12% gross margin, with no roasting, no direct channel, no visitor operation and about \$45 million of debt.

\$15.0M	\$41.8M	36¢	1,983
Acquisition price	As-is appraised value	On the appraised dollar	Acres, fee simple

The asset

Property	Location	Acres	Cherry harvested	Pounds
Hokukano Ranch	Kealahkekua	1,392.710	2023/24, all properties	1,169,816
Kealahkekua Heritage Ranch	Captain Cook	500.000	2024/25, Hokukano	1,892,983
Coffee Grounds (5 parcels)	Holualoa	90.259	2024/25, Coffee Grounds	192,139
School House	Kealahkekua	0.404	2024/25, Kealahkekua Heritage Ranch	37,587
8 parcels, 4 properties		1,983.373	2024/25 total	2,122,709

- 376.5 net planted acres at appraisal, plus 95.6 prepared acres ready to plant (about 472 acres in total).
- 254,570 trees planted 2017–2022: 92% Typica, 5% Caturra, the balance SL34, Geisha, Victoria and Liberica.
- On-site dry mill, dry pad and color sorter; Starbucks C.A.F.E. Practices certified; GACC-registered for export to China.
- The largest single estate in the Kona Coffee Belt, which totals only about 3,815 acres.

Harvest poundage is from the Kona Hills LLC property summary. Audited financial statements are not yet available.

Why it failed, and the plan

Capability	Under prior ownership	Under mOrganic
Sales	100% commodity green bean; a price taker at about a 12% gross margin	Estate-branded 100% Kona coffee: at the gate, online, by subscription, to trade
Processing	Contracted off-site milling; no roasting	On-site roasting, processing and packaging
Visitors	No visitor center, tours or tasting	A paid, three-hour tasting and estate experience
Land	Coffee only	Coffee plus coconut, moringa and cacao in a regenerative agroforestry canopy
Balance sheet	About \$45 million of debt it could not service	Acquired from the receiver at \$15.0 million, subject to completion of the sale

The offering

Term	Summary	Use of proceeds	Amount
Structure	Limited partnership that owns the property	Acquire the estate	\$15.0M
Project funding	\$40.0 million	Closing, title, legal, diligence, offering	\$1.0M
Minimum	\$100,000 subscription	Diversify: roasting, brand, visitor	\$2.0M
Warrant	Each LP may invest an equal amount in mOrganic Holdings, LLC at a 20% discount to Series A pricing	Expand: coconut, moringa, cacao	\$5.0M
Investors	Verified accredited investors only (Rule 506(c))	Regenerate: HyperLocal EcoSystem	\$6.0M
Target closing	1 January 2027	Build out: CEAq facility	\$10.0M
		Operate: working capital, reserve	\$1.0M
		Total project funding	\$40.0M

Preferred return, distribution waterfall and all other terms are set only in the Summary of Principal Terms and the definitive offering documents.

What to weigh

- **The transaction may not happen.** The agreement with the receiver is time-limited, and receivership sales can fail for reasons unrelated to the buyer.
- **The appraisal is an opinion of value, not a bid.** No one has offered \$41.8 million for this land.
- **There are no audited financial statements yet,** only harvest poundage and the appraiser's projections. We will not close without them.
- **The producing acreage is unresolved.** The 2026 property summary reports a smaller footprint than the appraisal; a field survey is underway.
- **Permits are the binding constraint** on the visitor plan, and the capital requirement is larger than the purchase price suggests.
- **This is illiquid and long-horizon:** a single agricultural asset on an island, exposed to weather, pests, labor, tourism cycles and coffee prices. You could lose your entire investment.

Three ways to take the next step

- 1 Not sure yet?** Read the full offering page at morganic.us/kona-hills. No form, no sign-up.
- 2 Want to talk first?** Reply to any of our emails, or request 15 minutes with Kendell Lang at morganic.us/kona-hills/#talk. A conversation is not a commitment.
- 3 Ready for the appraisal and the full presentation?** Complete the short verification form at morganic.us/kona-hills/verify: four questions, about two minutes. Once your accredited status is confirmed, a person sends you the appraisal, the investor presentation, the offering documents and data room access.

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ACCREDITED INVESTORS ONLY • RULE 506(c) OF REGULATION D

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