

Hawaiian Ola Brewing Corporation



ANNUAL REPORT

74-5598 Luhia Street  
Kailua-Kona HI 96740  
<http://www.olabrewco.com>

This Annual Report is dated June 1, 2019.

## **BUSINESS**

### **Craft Hard Cider and Beer, Hawai'i Made**

Ola Brew Co. embodies Hawaii through and through, made to support Hawaii's environment and economy. Our cider and beer is made with tropical fruits, by and for Hawaii's local residents, and enjoyed by craft alcohol fans everywhere.

### **Na Hawai'i No Hawaii - By Hawai'i for Hawai'i**

While our ciders currently incorporate the majority of our locally sourced ingredients, the addition of our restaurant will give us the opportunity to grow our agricultural impact. One of our 5 year goals is to have an entirely estate grown beer in which the hops and grains are also grown right here on Hawaii Island.

### **Comparing Apples to Dragonfruit**

Most of today's ciders are, well ... tame. We aim to make flavorful ciders like nothing you've tasted before, using island-grown fruit like pineapple and dragonfruit.

### **We've Built a Facility of Our Own**

There's currently no processing location able to meet our large-scale, organic production needs in Hawaii. So, we built our own. With our Class 18 Liquor License, we have the capacity to brew beer and wine, and to distill spirits. We have constructed our brewery, winery (for cider making), and production space and look forward to a future in distilled products as well. Since opening in December 2017, we have tripled our brewing capacity based on consumer demand for retail products!

Before

After

### **10 Months of Exciting Growth**

Since opening in December, we've hit some major milestones, including quadrupling our fermenter and brite tank space, launching our products statewide based on consumer demand, and lowering our carbon footprint by upgrading our facility to include a CO2 recovery system and Nitrogen Generator.

## **Sales Growth 2018 - Can't Stop, Won't Stop!**

2018 has been an incredible year in growth for Ola Brew both in and outside of our taproom. See our quarterly revenue growth below.

## **Join Our Ohana!**

Our achievements have been incredible so far and we have no plans of slowing down. We will continue to secure a market for farmers to sell their produce, while bringing quality and innovative products to our beer and, now, cider loving community!

## **Our First Business: Hawaiian Ola**

We started Hawaiian Ola Back in 2010 and have launched 16 different natural and organic energy drinks made with local ingredients. Since then we've grown Hawaiian Ola into a staple on the grocery store shelves.

*16 Unique Products                      80% Stores in Hawaii Carrying Hawaiian Ola*

## **With 422 Retail Partners**

Hawaiian Ola sits on Whole Foods, Safeway, and 7-Eleven shelves in Hawaii, and many other retailers throughout the state and mainland U.S. We can leverage our relationships with these 422 partners for Ola Brew.

## **By Hawaii, For Hawaii – We're Ola Brew**

February 12th, 2018

Aloha Friends,

The Hawaiian proverb, *I nā mālama 'oe i ka 'āina, na ka 'āina malama iā 'oe*, says, "If you take care of the land, the land will take care of you." Today, we see the wisdom of these words more truly than perhaps any other time in history. The planet is in a state of tremendous change and in Hawaii, like so many other places, a time of renewal is on the horizon. The renaissance underway is replacing farms that once harmed the environment with crops that restore the land, plus substituting imported goods with locally made alternatives. What's driving the change is everyday people voting with their dollars at grocery stores, shops, and restaurants for products and companies that share their values.

In the last 5 years, our work at Hawaiian Ola showed us that there's a market for companies doing business with authenticity and reverence for the planet. At Ola Brew Co., our dream is to bring the mission and vision that inspired our success at Ola to an even larger stage, where our ideas can have a much greater impact.

The scope of the brew project is ambitious. Our aim is to make beers and ciders that are 100% produced in Hawaii. This requires a production facility unlike anything that currently exists in the state. Building the facility will reduce the CO2 impact from shipped-in alternatives, reduce reliance on mainland co-packing facilities, create a way to turn island-grown fruit into local products, create new local jobs, and provide production opportunities to other companies also wanting to produce their products on island.

Since launching in 2012, Hawaiian Ola's community of drinkers has supported us by voting for our products at shops and supermarkets everywhere. Today, we're pleased to share the excitement of our next adventure by providing our drinkers with an opportunity to own a stake in our new brewing company. By investing in Ola Brew Co. you'll not only share in the rewards of its success, you'll be creating facilities that empower Hawaii's local network of farmers, entrepreneurs, and producers. Together, we can open Hawaii County's first organic co-packing facility — join us and let's make history!

With gratitude,

The Hawaiian Ola Brewing Corporation Founders

### Previous Offerings

Offering Date	Exemption	Security Type	Amount Sold	Use of Proceeds
	Regulation Crowdfunding	Convertible Note	\$109,556	General operations
5/2016	Regulation D, Rule 506(b)	Convertible Note	\$400,000	General operations
11/2016	Regulation D, Rule 506(b)	Convertible Note	\$100,000	General operations



12/2016	Regulation D, Rule 506(b), Convertible Note	\$250,000	General operations
1/2017	Regulation D, Rule 506(b), Convertible Note	\$250,000	General operations
4/2017	Regulation D, Rule 506(b), Convertible Note	\$495,890	General operations
9/2017	Regulation D, Rule 506(b), Convertible Note	\$150,000	General operations
11/2017	Regulation D, Rule 506(b), Convertible Note	\$250,000	General operations
12/2017	Regulation D, Rule 506(b), Convertible Note	\$100,000	General operations
2/2018	Regulation D, Rule 506(b), Convertible Note	\$100,000	General operations
2/2018	Regulation D, Rule 506(b), Convertible Note	\$75,000	General operations
3/2018	Regulation D, Rule 506(b), Convertible Note	\$70,000	General operations
3/2018	Regulation D, Rule 506(b), Convertible Note	\$200,000	General operations
3/2018	Regulation D, Rule 506(b), Convertible Note	\$30,000	General operations
3/2018	Regulation D, Rule 506(b), Convertible Note	\$25,000	General operations

4/2018	Regulation Crowdfunding	Convertible Note	\$211,315	General operations
10/2018	Section 4(a)(2)	Convertible Note	\$250,000	General operations
12/2018	Regulation D, Rule 506(b)	Convertible Note	\$50,000	General operations
12/2018	Regulation D, Rule 506(b)	Convertible Note	\$50,000	General operations
12/2018	Regulation D, Rule 506(b)	Convertible Note	\$25,000	General operations
1/2019	Regulation D, Rule 506(b)	Convertible Note	\$50,000	General operations
1/2019	Regulation D, Rule 506(b)	Convertible Note	\$50,000	General operations
1/2019	Regulation D, Rule 506(b)	Convertible Note	\$25,000	General operations
3/2019	Regulation D, Rule 506(b)	Convertible Note	\$25,000	General operations
4/2019	Regulation D, Rule 506(b)	Convertible Note	\$50,000	General operations
4/2019	Regulation D, Rule 506(b)	Convertible Note	\$50,000	General operations
12/2019	Series A Preferred		\$75,000	General Operations
12/2019	Series A Preferred		\$50,000	General Operations

#### REGULATORY INFORMATION

The company has not previously failed to comply with the requirements of Regulation Crowdfunding;

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

### Operating Results – 2019 Compared to 2018

Our company was organized in December 2015 and has limited operations upon which prospective investors may base an evaluation of its performance.

**Revenues & Gross Margin.** For the period ended December 31, 2017, the Company had revenues of \$56,182 compared to the year ended December 31, 2016, when the Company had revenues of \$0. Our gross margin was 62.07% in fiscal year 2017, compared to % in 2016. **Assets.** As of December 31, 2017, the Company had total assets of \$1,593,737, including \$187,127 in cash. As of December 31, 2016, the Company had \$679,312 in total assets, including \$244,325 in cash.

**Net Loss.** The Company has had net losses of \$611,104 and net losses of \$155,318 for the fiscal years ended December 31, 2017 and December 31, 2016, respectively.

**Liabilities.** The Company's liabilities totaled \$2,349,069 for the fiscal year ended December 31, 2017 and \$833,630 for the fiscal year ended December 31, 2016.

**Revenues & Gross Margin.** For the period ended December 31, 2019, the Company had revenues of \$3,550,667.28 compared to the year ended December 31, 2018, when the Company had revenues of \$1,493,279.09. Our gross margin was 46% in fiscal year 2019, compared to 55% in 2018.

**Assets.** As of December 31, 2019, the Company had total assets of \$2,735,208.08 including \$152,836.66 in cash. As of December 31, 2018, the Company had \$2,267,346.50 in total assets, including \$152,324.37 in cash.

**Net Loss.** The Company has had net losses of \$1,445,526.05 and net losses of \$1,085,985.94 for the fiscal years ended December 31, 2019 and December 31, 2018, respectively.

**Liabilities.** The Company's liabilities totaled \$6,031,535.53 for the fiscal year ended December 31, 2019 and \$4,187,928.90 for the fiscal year ended December 31, 2018.

## Liquidity and Capital Resources

At December 31, 2019, the Company had cash of \$ 152,836.66 \_\_\_\_\_. [The Company intends to raise additional funds through an equity financing.]

### Debt

#### *Convertible Note*

Issue date	05/28/16
Amount	\$400,000.00
Interest rate	15.0% per annum
Discount rate	40.0%
Valuation cap	\$7,000,000.00
Maturity date	05/31/19

#### *Convertible Note*

Issue date	11/18/16
Amount	\$100,000.00
Interest rate	8.0% per annum
Discount rate	40.0%
Valuation cap	\$7,000,000.00

Maturity date 05/31/19

*Convertible  
Note*

Issue date 12/23/16

Amount \$250,000.00

Interest rate 8.0% per annum

Discount rate 40.0%

Valuation cap \$7,000,000.00

Maturity date 05/31/19

*Convertible  
Note*

Issue date 01/13/17

Amount \$250,000.00

Interest rate 8.0% per annum

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*Convertible  
Note*

Issue date	05/01/17
Amount	\$495,890.00
Interest rate	8.0% per annum
Discount rate	15.0%
Valuation cap	\$7,000,000.00
Maturity date	12/05/19

*Convertible  
Note*

Issue date	09/20/17
Amount	\$150,000.00
Interest rate	8.0% per annum
Valuation cap	\$7,000,000.00
Maturity date	12/05/19

*Convertible  
Note*

Issue date	11/15/17
Amount	\$250,000.00
Interest rate	8.0% per annum

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*Convertible  
Note*

Issue date 12/15/17

Amount \$100,000.00

Interest rate 8.0% per annum

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*Convertible  
Note*

Issue date 02/15/18

Amount \$100,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*Convertible  
Note*

Issue date      02/19/18

Amount          \$75,000.00

Interest rate    8.0% per annum

Discount rate   15.0%

Valuation cap   \$7,000,000.00

Maturity date   12/05/19

*Convertible  
Note*

Issue date      03/05/18

Amount          \$70,000.00

Interest rate    8.0% per annum

Discount rate   15.0%

Valuation cap   \$7,000,000.00

Maturity date   12/05/19

*Convertible  
Note*

Issue date      03/06/18



Amount	\$200,000.00
Interest rate	8.0% per annum
Discount rate	15.0%
Valuation cap	\$7,000,000.00
Maturity date	12/05/19

*Convertible  
Note*

Issue date	03/15/18
Amount	\$30,000.00
Interest rate	8.0% per annum
Discount rate	15.0%
Valuation cap	\$7,000,000.00
Maturity date	12/05/19

*Convertible  
Note*

Issue date	03/22/18
Amount	\$25,000.00
Interest rate	8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*Convertible  
Note*

Issue date 10/18/18

Amount \$250,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Uncapped  
Note Yes

Maturity date 12/05/18

*Convertible  
Note*

Issue date 12/25/18

Amount \$50,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Bock, O*

*Convertible  
Note*

Issue date 12/27/18

Amount \$50,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Sparado, M*

*Convertible  
Note*

Issue date 12/30/18

Amount \$25,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Reade, Jr., John*

*Convertible  
Note*

Issue date 01/02/19

Amount \$50,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Impact Assets*

*Convertible  
Note*

Issue date 01/06/19

Amount \$50,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Weiss, S*

*Convertible  
Note*

Issue date 01/30/19

Amount \$25,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Patel, S*

*Convertible  
Note*

Issue date 03/28/19

Amount \$25,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Smth, Kevin & Cynthia*

*Convertible  
Note*

Issue date 04/02/19

Amount \$50,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Weiss, S*

*Convertible  
Note*

Issue date 04/17/19

Amount \$50,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Alarid, M*

*Convertible  
Note*

Issue date 05/01/19

Amount \$50,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Holly Macareno*

*Convertible  
Note*

Issue date 05/01/19

Amount \$50,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Heather Ostrom*

*Convertible  
Note*

Issue date 05/01/19

Amount 25,000.00

Interest rate 8.0% per annum

Discount rate 15.0%

Valuation cap \$7,000,000.00

Maturity date 12/05/19

*NP - Mark Rhee*

**DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES**

Our directors and executive officers as of the date hereof, are as follows:

**DIRECTORS OF THE COMPANY**



<b>Director</b>	<b>Principal Occupation</b>	<b>Main Employer</b>	<b>Year Joined as Director</b>
Derek Pittman	Director of Operations	Hawaiian Ola Brewing Corporation	2019
Josephine Naehalani Breeland	President/ Director of Marketing	Ola Brew Co.	2015
Brett Jacobson	CEO & Founder	Hawaiian Ola Brewing Corporation	2015
William Mentesh	CEO & Founder	California Recovery	2019
Lucas Reed	Chief	La'au Pono	2019

#### **OFFICERS OF THE COMPANY**

<b>Officer</b>	<b>Positions Held</b>	<b>Year Joined</b>
Yvette Miller	Secretary	2019
Josephine Naehalani Breeland	President/ Director of Marketing	2015
Brett Jacobson	CEO	2015
Brett Jacobson	Founder	2015

## PRINCIPAL SECURITY HOLDERS

Set forth below is information regarding the beneficial ownership of our Common Stock, our only outstanding class of capital stock, as of December 31, 2018, by (i) each person whom we know owned, beneficially, more than 10% of the outstanding shares of our Common Stock, and (ii) all of the current officers and directors as a group. We believe that, except as noted below, each named beneficial owner has sole voting and investment power with respect to the shares listed. Unless otherwise indicated herein, beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to shares beneficially owned.

## PRINCIPAL SECURITY HOLDERS

Name of Holder	No. and Class of Securities Now Held	% of Voting Power Prior to Offering
Dragononi Inc.	1000000.0 Common Stock	23.54
Brett Jacobson	1500000.0 Common Stock	35.3

## OUR SECURITIES

Our authorized capital stock consists of 10,000,000 shares of common stock, par value \$.001 per share. As of December 31, 2018, 4,777,030 shares of common stock are outstanding. The following is a summary of the rights of our capital stock as provided in our certificate of incorporation and bylaws. [Add any preferred stock authorized and/or issued]

What it means to be a minority holder

As a minority holder you will have limited ability, if at all, to influence our policies or any other corporate matter, including the election of directors, changes to our company's governance

documents, additional issuances of securities, company repurchases of securities, a sale of the company or of assets of the company or transactions with related parties.

## Dilution

Investors should understand the potential for dilution. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will decrease, even though the value of the company may increase. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round or angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible notes, preferred shares or warrants) into stock.

If we decide to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if we offer dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

The type of dilution that hurts early-stage investors most occurs when the company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings.

If you are making an investment expecting to own a certain percentage of the company or expecting each share to hold a certain amount of value, it's important to realize how the value of those shares can decrease by actions taken by the company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.

## RESTRICTIONS ON TRANSFER

The common stock sold in the Regulation CF offering, may not be transferred by any purchaser, for a period of one-year beginning when the securities were issued, unless such securities are transferred:



I, J Naehalani Breeland, Principal Executive Officer of [COMPANY NAME], hereby certify that the financial statements of [COMPANY NAME] included in this Report are true and complete in all material respects.

/s/ J Naehalani Breeland  
Principal Executive Officer

11:48 AM

05/28/20

Accrual Basis

# Hawaiian Ola Brewing Corporation

## Profit & Loss

### January through December 2018

	Jan - Dec 18
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Sales</b>	
Apparel	74,565.65
Beer	476,991.98
Cans - Beer/Cider	10,344.00
Cider	218,623.38
Equipment	160.00
Merchandise	48,655.05
Noni / Tea	1,102.39
Pump / Keg Rental	450.00
Tours / Events	67,213.16
Wholesale - Beer	252,159.03
Wholesale - Cans	265,006.60
Wholesale - Cider	130,688.34
zzDiscounts	-52,680.49
<b>Total Sales</b>	1,493,279.09
<b>Total Income</b>	1,493,279.09
<b>Cost of Goods Sold</b>	
<b>Cost of Goods Sold</b>	
Beer	68,736.87
Canning	12,690.25
Cans - Beer	9,839.75
Cider	28,640.35
Equipment	0.00
Founder Club	150.00
Kitchen - Food Cost	1,311.07
Merchandise	34,846.35
Noni / Tea	287.00
Pumps / Keg Rental	0.00
Supplies	62,743.75
Tours / Events	11,367.27
Utilities - Brewing	126,096.11
Wholesale - Beer	92,037.00
Wholesale - Cans	133,327.74
Wholesale - Cider	43,700.00
Wholesale - Freight Costs	14,906.91
Cost of Goods Sold - Other	6,340.00
<b>Total Cost of Goods Sold</b>	647,020.42
<b>Merchant Account Fees</b>	20,801.07
<b>Total COGS</b>	667,821.49
<b>Gross Profit</b>	825,457.60
<b>Expense</b>	
Advertising and Promotion	1,565.78
<b>Auto and Truck Expenses</b>	
Auto Repairs	2,890.85
Fuel	7,752.63
Mileage	448.04
Vehicle Lease	2,063.49
Auto and Truck Expenses - Other	1,433.75
<b>Total Auto and Truck Expenses</b>	14,588.76
Bank Service Charges	3,272.73
Cleaning Supplies	9,597.79
Computer and Internet Expenses	2,500.00
Depreciation Expense	289,954.28
Donations	400.00

11:48 AM

05/28/20

Accrual Basis

# Hawaiian Ola Brewing Corporation

## Profit & Loss

### January through December 2018

	Jan - Dec 18
<b>Dues and Memberships</b>	
Accounting	2,453.23
Brewery Software	10,910.73
Expensify	278.38
Squarespace	952.61
Dues and Memberships - Other	4,740.10
<b>Total Dues and Memberships</b>	19,335.05
<b>Events</b>	
Insurnace	1,099.14
Travel	1,023.85
Events - Other	71,936.20
<b>Total Events</b>	74,059.19
<b>Facility Expenses</b>	
Facility Supplies	1,211.36
<b>Total Facility Expenses</b>	1,211.36
<b>Human Resource</b>	130.00
<b>Insurance Expense</b>	
Auto	1,720.62
Equipment	5,470.81
GL Insurance	12,507.44
Insurance Expense - Other	531.65
<b>Total Insurance Expense</b>	20,230.52
<b>Interest Expense</b>	12,130.70
<b>Kitchen Expense</b>	
Kltchen Supplies	328.19
<b>Total Kitchen Expense</b>	328.19
<b>Licenses and Permits</b>	
Liquor / Cider Tax	11,249.79
Licenses and Permits - Other	10,291.15
<b>Total Licenses and Permits</b>	21,540.94
<b>Marketing</b>	
Costers	2,551.91
Facebook	11,136.05
Marketing Auto	800.00
Marketing Cups Ice Supplies	102.51
Print Ad	33,068.66
Yelp	3,660.28
Marketing - Other	82,320.60
<b>Total Marketing</b>	133,640.01
<b>Office Expense</b>	9,190.54
<b>Office Supplies</b>	7,116.95
<b>Payroll Expenses</b>	
Admin	35,186.94
Brew Master	24,700.15
Brew Pub Staff	57,051.98
Brewery	16,921.38
Distrubution	54,271.01
Facility	138,836.41
Health Benefits	31,346.01
Manager	78,661.34
Officers	153,000.00
Restaurant	0.00
Stock	9,318.90
Tax Burden	67,168.54
Tips Clearing	-20.02

**Hawaiian Ola Brewing Corporation**  
**Profit & Loss**  
 January through December 2018

	Jan - Dec 18
Workers Compensation	4,783.00
Payroll Expenses - Other	38,996.86
<b>Total Payroll Expenses</b>	<b>710,222.50</b>
Professional Fees	
Accounting	1,450.00
Consulting	14,804.24
Legal Services	12,759.90
Professional Fees - Other	44,037.45
<b>Total Professional Fees</b>	<b>73,051.59</b>
Rent Expense	119,508.78
Repairs and Maintenance	
Machinery	9,119.44
Repairs and Maintenance - Other	11,056.88
<b>Total Repairs and Maintenance</b>	<b>20,176.32</b>
Research & Development	
Material	7,345.86
Research & Development - Other	4,484.45
<b>Total Research &amp; Development</b>	<b>11,830.31</b>
Security	2,378.00
Shipping	4,210.30
Short / Over	9,774.89
Small Tools	933.27
Storage	3,750.00
Taxes	
GE Tax	34,246.40
HI Recycle Fee	266.52
Taxes - Other	4,821.85
<b>Total Taxes</b>	<b>39,334.77</b>
Telephone / Internet Expense	3,888.62
Testing / Certifications	1,504.25
Travel Expense	
Car Rental	323.56
Flights	12,390.09
Travel Other	1,470.85
Travel Expense - Other	664.73
<b>Total Travel Expense</b>	<b>14,849.23</b>
Utilities	
Electric	17,506.86
Internet	2,300.73
Sanitation / Maintenance	6,950.60
Utilities - Other	4,409.50
<b>Total Utilities</b>	<b>31,167.69</b>
Wholesale Expenses	
Wholesale Supplies	1,750.00
<b>Total Wholesale Expenses</b>	<b>1,750.00</b>
<b>Total Expense</b>	<b>1,669,123.31</b>
<b>Net Ordinary Income</b>	<b>-843,665.71</b>



11:48 AM

05/28/20

Accrual Basis

**Hawaiian Ola Brewing Corporation**  
**Profit & Loss**  
January through December 2018

---

	Jan - Dec 18
Other Income/Expense	
Other Income	
Interest Income	229.80
Returned Check Charges	20.00
Total Other Income	249.80
Other Expense	
Interest Expense - Accrued	242,570.03
Total Other Expense	242,570.03
Net Other Income	-242,320.23
Net Income	<b>-1,085,985.94</b>

12:27 PM

05/28/20

Accrual Basis

# Hawaiian Ola Brewing Corporation

## Balance Sheet

As of December 31, 2018

	Dec 31, 18
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
First Hawaiian Bank - Checking	150,624.37
Petty Cash Drawer	1,700.00
Total Checking/Savings	152,324.37
Accounts Receivable	
Accounts Receivable	125,217.08
Total Accounts Receivable	125,217.08
<b>Other Current Assets</b>	
AR- MISC	
AR - Dragononi	111,874.46
Lalamilo	1,646.25
Total AR- MISC	113,520.71
Inventory	
Inventory - Dragononi	-287.00
Inventory - Merchandise	36,677.82
Inventory - Packaging	24,128.32
Inventory - Raw Goods	93,369.63
Total Inventory	153,888.77
Prepaid Deposits	7,708.26
Shogo POS Sales	11,601.84
Undeposited Funds	-745.56
Total Other Current Assets	285,974.02
<b>Total Current Assets</b>	563,515.47
<b>Fixed Assets</b>	
Brewery / Warehouse / Kitchen	
Accum Depre - Brewery / Warehou	-7,898.00
Brewery / Warehouse / Kitchen - Other	436,281.58
Total Brewery / Warehouse / Kitchen	428,383.58
Computers / Electronics	
Accum Depre Computers	-2,162.33
Computers / Electronics - Other	4,848.94
Total Computers / Electronics	2,686.61
Equipment Brewery/Warehouse	
Accum Depre - Equipment Brewery	-235,701.95
Equipment Brewery/Warehouse - Other	1,179,071.87
Total Equipment Brewery/Warehouse	943,369.92
Equipment Restaurant	
Accum Depre - Equipment Restaur	-7,416.00
Equipment Restaurant - Other	37,084.10
Total Equipment Restaurant	29,668.10
Furniture and Equipment	
Accum Depre - Furniture	-5,572.00
Furniture and Equipment - Other	38,990.84
Total Furniture and Equipment	33,418.84

12:27 PM

05/28/20

Accrual Basis

# Hawaiian Ola Brewing Corporation

## Balance Sheet

As of December 31, 2018

	Dec 31, 18
<b>Glassware</b>	
Accum Depre - Glassware	-994.00
Glassware - Other	4,971.68
<b>Total Glassware</b>	3,977.68
<b>Kegs</b>	
Accum Depre - Kegs	-22,335.00
Kegs - Other	111,675.44
<b>Total Kegs</b>	89,340.44
<b>Leasehold Improvements</b>	
Accum Depre - Leasehold Improve	-3,001.00
Leasehold Improvements - Other	156,490.92
<b>Total Leasehold Improvements</b>	153,489.92
<b>Vehicles</b>	
Accum Depre - Vehicles	-4,874.00
Vehicles - Other	24,369.94
<b>Total Vehicles</b>	19,495.94
<b>Total Fixed Assets</b>	1,703,831.03
<b>TOTAL ASSETS</b>	<b>2,267,346.50</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Accounts Payable	
Accounts Payable	88,796.95
<b>Total Accounts Payable</b>	88,796.95
<b>Other Current Liabilities</b>	
Accrued Utilites	540.34
Accured Payroll	38,500.00
Club Members	
Founders Club	22,300.00
Mug Club	4,450.00
<b>Total Club Members</b>	26,750.00
<b>Deposits</b>	
Keg Deposit	9,010.00
Keg Deposit Outside Sales	8,390.00
Kegeator Deposit Outside Sales	600.00
Pump Deposit	1,245.60
<b>Total Deposits</b>	19,245.60
<b>GE Tax Payable</b>	8,373.76
<b>Gift Cards Purchased</b>	6,433.67
<b>Notes Payable</b>	
NP- Squareup AR Loan	47,367.18
NP - Navitas Credit Corp	12,189.52
NP - Pinnacle Capital	142,629.47
<b>Total Notes Payable</b>	202,186.17
<b>Payroll Liabilities</b>	
FICA	1,297.20
HI Unemployment	3,488.92
Hi Withholding	11,956.22
TDI	1,158.66
<b>Total Payroll Liabilities</b>	17,901.00

## Hawaiian Ola Brewing Corporation

## Balance Sheet

05/28/20

As of December 31, 2018

Accrual Basis

	Dec 31, 18
Suspense	53,599.49
Total Other Current Liabilities	373,530.03
Total Current Liabilities	462,326.98
Long Term Liabilities	
Long Term Notes Payable	
NP - Agorastos C	51,475.80
NP - Agorastos L	51,732.42
NP - Avatar, L	110,327.82
NP - Bock, O	50,054.79
NP - Bowton Aaron and Mary	26,309.13
NP - Brill, Matt	74,476.16
NP - Flanery, Pat	25,527.40
NP - Grewal, Drew	31,905.21
NP - Hays, John	157,427.40
NP - Hyman, Mike	209,008.22
NP - Patapoff	25,393.61
NP - Reade, Jr., John	25,000.00
NP - Sparado, M	50,032.88
NP - Vernon Oi	
NP - Vernon Oi Interest	147,562.46
NP - Vernon Oi - Other	1,360,000.00
Total NP - Vernon Oi	1,507,562.46
NP - We Funder	
NP - We Funder Interest	69,848.07
NP - We Funder - Other	700,000.00
Total NP - We Funder	769,848.07
NPz - Vernon Oi Loan	
NPz - Vernon Oi Loan Interest	159,520.55
NPz - Vernon Oi Loan - Other	400,000.00
Total NPz - Vernon Oi Loan	559,520.55
Total Long Term Notes Payable	3,725,601.92
Total Long Term Liabilities	3,725,601.92
Total Liabilities	4,187,928.90
Equity	
Capital Stock	
Common Stock	12,395.30
Total Capital Stock	12,395.30
Retained Earnings	-846,991.76
Net Income	-1,085,985.94
Total Equity	-1,920,582.40
TOTAL LIABILITIES & EQUITY	2,267,346.50

11:48 AM

05/28/20

Accrual Basis

# Hawaiian Ola Brewing Corporation

## Profit & Loss

### January through December 2019

	Jan - Dec 19
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
<b>Sales</b>	
Apparel	117,803.00
Beer	631,799.35
Can - Seltzer	24,673.00
Cans - Beer/Cider	45,665.00
Cider	264,628.90
Equipment	90.00
Merchandise	44,920.80
Noni / Tea	4,931.00
Pump / Keg Rental	900.00
Restaurant	315,614.50
Seltzer	29,061.00
Spirits	5,911.00
Tours / Events	98,754.60
Wholesale - Beer	397,795.67
Wholesale - Cans	1,423,592.40
Wholesale - Cider	222,147.96
Wholesale - Seltzer	11,309.00
zzDiscounts	-122,205.02
zzProduct Recall	-22,124.50
zzzSales -Contra Account Tap Rm	0.00
Sales - Other	55,399.62
<b>Total Sales</b>	3,550,667.28
<b>Total Income</b>	3,550,667.28
<b>Cost of Goods Sold</b>	
<b>Cost of Goods Sold</b>	
Beer	84,662.62
Can - Seltzer	10,262.46
Canning	66,242.42
Cans - Beer	43,579.78
Cans - Cider	4,183.60
Cider	32,819.23
Equipment	0.00
Founder Club	0.00
Kegs	29,419.41
Kitchen - Food Cost	141,960.63
Merchandise	49,059.97
Noni / Tea	1,539.00
Pumps / Keg Rental	0.00
Seltzer	4,877.45
Spirits	489.90
Supplies	92,465.02
Tours / Events	5,854.76
Utilities - Brewing	245,500.31
Wholesale - Beer	172,571.50
Wholesale - Cans	717,696.31
Wholesale - Cider	84,158.00
Wholesale - Freight Costs	76,419.45
Wholesale - Seltzer	456.00
Cost of Goods Sold - Other	4,610.00
<b>Total Cost of Goods Sold</b>	1,868,827.82
<b>Merchant Account Fees</b>	39,355.10
<b>Total COGS</b>	1,908,182.92
<b>Gross Profit</b>	1,642,484.36
<b>Expense</b>	
Advertising and Promotion	1,648.04

11:48 AM

05/28/20

Accrual Basis

# Hawaiian Ola Brewing Corporation

## Profit & Loss

### January through December 2019

	Jan - Dec 19
<b>Auto and Truck Expenses</b>	
Auto Repairs	6,589.63
Fuel	6,381.09
Mileage	5,810.93
Vehicle Lease	15,076.16
Auto and Truck Expenses - Other	448.43
<b>Total Auto and Truck Expenses</b>	34,306.24
<b>Bad Debt</b>	15,692.43
<b>Bank Service Charges</b>	21,848.24
<b>Cleaning Supplies</b>	7,688.94
<b>Computer and Internet Expenses</b>	683.57
<b>Depreciation Expense</b>	515,344.00
<b>Dues and Memberships</b>	
Accounting	6,188.33
Brewery Software	9,525.88
Expensify	763.23
Squarespace	1,879.27
Touch Bistro	2,986.71
Dues and Memberships - Other	8,467.30
<b>Total Dues and Memberships</b>	29,810.72
<b>Events</b>	
Insurnace	596.64
Travel	276.00
Events - Other	48,046.06
<b>Total Events</b>	48,918.70
<b>Facility Expenses</b>	
Facility Supplies	14,307.27
Facility Expenses - Other	647.86
<b>Total Facility Expenses</b>	14,955.13
<b>Human Resource</b>	2,202.05
<b>Insurance Expense</b>	
Auto	7,164.46
Equipment	1,132.80
GL Insurance	23,757.07
<b>Total Insurance Expense</b>	32,054.33
<b>Interest Expense</b>	30,997.82
<b>Kitchen Expense</b>	
Kitchen Hand Tools	1,888.35
Kitchen Supplies	3,693.38
Kitchen Expense - Other	54.41
<b>Total Kitchen Expense</b>	5,636.14
<b>Licenses and Permits</b>	
Liquor / Cider Tax	14,349.21
Licenses and Permits - Other	5,768.88
<b>Total Licenses and Permits</b>	20,118.09

# Hawaiian Ola Brewing Corporation

## Profit & Loss

### January through December 2019

	Jan - Dec 19
<b>Marketing</b>	
Costers	12,733.94
Facebook	6,542.91
Graphic Design	26,250.00
Marketing - Samples	21,616.13
Marketing Auto	10,024.83
Marketing Cups Ice Supplies	4,471.57
Print Ad	23,193.11
Promo	3,110.96
Radio	45,233.02
Tap Take Over	450.46
Yelp	11,348.63
Marketing - Other	29,327.41
<b>Total Marketing</b>	194,302.97
<b>Office Expense</b>	11,457.52
<b>Office Supplies</b>	13,590.55
<b>Payroll Expenses</b>	
Admin	58,426.21
Brew Pub Staff	96,251.53
Brewery	0.00
Distribution	122,056.93
DN	0.00
Facility	349,226.59
Health Benefits	69,544.31
Lab / R & D Wages	50,077.01
Manager	97,692.34
Manager - Tap Room Manager	15,794.63
Officers	189,461.63
Restaurant	100,101.22
Stock	18,418.51
Tax Burden	128,553.75
Tips Clearing	-373.30
Workers Compensation	26,751.50
Payroll Expenses - Other	-27,214.37
<b>Total Payroll Expenses</b>	1,294,768.49
<b>Professional Fees</b>	
Accounting	5,250.00
Consulting	7,481.40
Legal Services	43,964.80
Professional Fees - Other	15,360.00
<b>Total Professional Fees</b>	72,056.20
<b>Rent Expense</b>	185,058.99
<b>Repairs and Maintenance</b>	
Facility Repairs	6,343.81
Machinery	14,590.57
Repairs and Maintenance - Other	5,385.28
<b>Total Repairs and Maintenance</b>	26,319.66
<b>Research &amp; Development</b>	
Material	3,906.19
Research & Development - Other	1,997.39
<b>Total Research &amp; Development</b>	5,903.58
<b>Security</b>	1,845.90
<b>Shipping</b>	12,081.43
<b>Short / Over</b>	975.78
<b>Small Tools</b>	506.17
<b>Storage</b>	13,952.07

**Hawaiian Ola Brewing Corporation**  
**Profit & Loss**  
 January through December 2019

	<u>Jan - Dec 19</u>
Tap Room Expense	
Tap Room / Kitchen Supplies	20,163.57
Tap Room Expense - Other	2,349.86
	<u>22,513.43</u>
Total Tap Room Expense	22,513.43
Taxes	
GE Tax	35,956.76
HI Recycle Fee	1,886.82
Liquor Tax M-18	17,399.35
	<u>55,242.93</u>
Total Taxes	55,242.93
Telephone / Internet Expense	11,327.30
Testing / Certifications	2,714.30
Travel Expense	
Car Rental	1,304.62
Flights	12,869.20
Travel Other	2,632.60
Travel Expense - Other	579.44
	<u>17,385.86</u>
Total Travel Expense	17,385.86
Utilities	
Electric	25,696.77
Internet	3,838.58
Sanitation / Maintance	14,712.38
Utilities - Other	4,122.17
	<u>48,369.90</u>
Total Utilities	48,369.90
Wholesale Expenses	
Wholesale Supplies	4,701.81
	<u>4,701.81</u>
Total Wholesale Expenses	4,701.81
Total Expense	<u>2,776,979.28</u>
Net Ordinary Income	-1,134,494.92
Other Income/Expense	
Other Income	
Other Income	38,477.12
Returned Check Charges	40.00
	<u>38,517.12</u>
Total Other Income	38,517.12
Other Expense	
Interest Expense - Accrued	349,548.25
	<u>349,548.25</u>
Total Other Expense	349,548.25
Net Other Income	<u>-311,031.13</u>
Net Income	<u><u>-1,445,526.05</u></u>



11:50 AM

05/28/20

Accrual Basis

# Hawaiian Ola Brewing Corporation

## Balance Sheet

As of December 31, 2019

	Dec 31, 19
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Cash Drawer	800.00
First Hawaiian Bank - Checking	149,806.02
Petty Cash Drawer	2,230.64
<b>Total Checking/Savings</b>	<b>152,836.66</b>
Accounts Receivable	
Accounts Receivable	307,991.41
<b>Total Accounts Receivable</b>	<b>307,991.41</b>
<b>Other Current Assets</b>	
AR- MISC	
AR - Dragononi	158,183.88
<b>Total AR- MISC</b>	<b>158,183.88</b>
Employee Advance	1,000.00
Gift Card Contra Account	418.35
Inventory	
Inventory - Merchandise	73,309.65
Inventory - Packaging	148,906.93
Inventory - Raw Goods	95,803.24
Inventory - Tap Room	6,051.71
<b>Total Inventory</b>	<b>324,071.53</b>
Prepaid Deposits	8,770.76
Prepaid Insurance	13,742.55
Square Pending Previous	16,971.30
Undeposited Funds	2,898.18
<b>Total Other Current Assets</b>	<b>526,056.55</b>
<b>Total Current Assets</b>	<b>986,884.62</b>
<b>Fixed Assets</b>	
Brewery / Warehouse / Kitchen	
Accum Depre - Brewery / Warehou	-21,160.00
Brewery / Warehouse / Kitchen - Other	643,800.48
<b>Total Brewery / Warehouse / Kitchen</b>	<b>622,640.48</b>
Computers / Electronics	
Accum Depre Computers	-3,970.00
Computers / Electronics - Other	12,238.19
<b>Total Computers / Electronics</b>	<b>8,268.19</b>
Equipment Brewery/Warehouse	
Accum Depre - Equipment Brewery	-649,831.95
Equipment Brewery/Warehouse - Other	1,368,221.62
<b>Total Equipment Brewery/Warehouse</b>	<b>718,389.67</b>
Equipment Restaurant	
Accum Depre - Equipment Restaur	-21,489.00
Equipment Restaurant - Other	48,118.00
<b>Total Equipment Restaurant</b>	<b>26,629.00</b>
Furniture and Equipment	
Accum Depre - Furniture	-16,783.00
Furniture and Equipment - Other	50,622.95
<b>Total Furniture and Equipment</b>	<b>33,839.95</b>

11:50 AM

## Hawaiian Ola Brewing Corporation

## Balance Sheet

05/28/20

As of December 31, 2019

Accrual Basis

	Dec 31, 19
Glassware	
Accum Depre - Glassware	-3,537.00
Glassware - Other	9,531.32
Total Glassware	5,994.32
Kegs	
Accum Depre - Kegs	-63,404.00
Kegs - Other	138,342.34
Total Kegs	74,938.34
Leasehold Improvements	
Accum Depre - Leasehold Improve	-7,413.00
Leasehold Improvements - Other	164,346.54
Total Leasehold Improvements	156,933.54
Small Furniture and Equipment	67,170.28
Vehicles	
Accum Depre - Vehicles	-16,392.00
Vehicles - Other	42,969.94
Total Vehicles	26,577.94
Wine Barrels	
Accum Depre - Wine Barrels	-672.00
Wine Barrels - Other	3,359.56
Total Wine Barrels	2,687.56
Total Fixed Assets	1,744,069.27
Other Assets	
CIP	
CIP - Farm	4,254.19
Total CIP	4,254.19
Total Other Assets	4,254.19
<b>TOTAL ASSETS</b>	<b>2,735,208.08</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	511,047.33
Total Accounts Payable	511,047.33
Other Current Liabilities	
Accrued Expenses	53,861.50
Accrued Utilites	11,017.10
Accured Payroll	55,673.90
Club Members	
Founders Club	22,450.00
Mug Club	15,082.00
Total Club Members	37,532.00
Deposits	
Keg Deposit	14,210.00
Keg Deposit Outside Sales	31,100.00
Keerator Deposit Outside Sales	600.00
Pump Deposit	110.60
Total Deposits	46,020.60
GE Tax Payable	9,351.14
Gift Cards Purchased	12,946.43

11:50 AM

05/28/20

Accrual Basis

# Hawaiian Ola Brewing Corporation

## Balance Sheet

As of December 31, 2019

	Dec 31, 19
<b>Notes Payable</b>	
NP- Squareup AR Loan	38,341.91
NP - Ascentium	8,086.05
NP - Bank of Hawaii Van	17,160.25
NP - Chase Ford F150	-643.51
NP - Cit Bank	
Cit Bank 1.2019	25,258.61
Citi Bank - ASB	18,176.69
Citi Bank Freezer 4.2019	20,211.17
<b>Total NP - Cit Bank</b>	63,646.47
NP - Navitas Credit Corp	2,652.77
NP - Pinnacle Capital	119,838.25
<b>Total Notes Payable</b>	249,082.19
<b>Payroll Liabilities</b>	
FICA	1,465.02
FUTA	8.77
HI Unemployment	6,153.42
HI Withholding	22,213.39
Tips -TB	1,294.99
<b>Total Payroll Liabilities</b>	31,135.59
<b>Total Other Current Liabilities</b>	506,620.45
<b>Total Current Liabilities</b>	1,017,667.78
<b>Long Term Liabilities</b>	
<b>Long Term Notes Payable</b>	
NP - Wire 5.3.19	42,112.17
NP - Agorastos C	55,475.88
NP - Agorastos L	55,732.38
NP - Alarid M	52,798.15
NP - Avatar, L	118,327.86
NP - Bock, O	54,054.75
NP - Bowton Aaron and Mary	28,309.17
NP - Brill, Matt	80,076.20
NP - Christopher Gayde	53,262.98
NP - Flanery, Pat	32,830.70
NP - Grewal, Drew	34,305.21
NP - Hays. John	169,427.40
NP - Hyman, Mike	225,008.22
NP - Impact Assets	53,973.48
NP - Macareno, H	52,662.08
NP - Ostrom G and H	52,662.08
NP - Patapoff	27,393.65
NP - Patel S	26,986.79
NP - Reade, Jr., John	27,003.23
NP - Rhee, M	26,292.72
NP - Smth, Kevin & Cynthia	26,510.99
NP - Sparado, M	54,032.84
NP - Vernon Oi	
NP - Vernon Oi Interest	255,962.42
NP - Vernon Oi - Other	1,360,000.00
<b>Total NP - Vernon Oi</b>	1,615,962.42
NP - We Funder	
NP - We Funder Interest	132,217.60
NP - We Funder - Other	828,717.58
<b>Total NP - We Funder</b>	960,935.18

11:50 AM

05/28/20

Accrual Basis

**Hawaiian Ola Brewing Corporation**  
**Balance Sheet**  
As of December 31, 2019

	Dec 31, 19
NP - Weiss, S	106,892.17
NPz - Brill and	135,556.51
NPz - Hayes John 11.2019	150,000.00
NPz - Hayes, John 6.2019	135,761.99
NPz - Vernon Oi Loan	
NPz - Vernon Oi Loan Interest	159,520.55
NPz - Vernon Oi Loan - Other	400,000.00
<b>Total NPz - Vernon Oi Loan</b>	<b>559,520.55</b>
<b>Total Long Term Notes Payable</b>	<b>5,013,867.75</b>
<b>Total Long Term Liabilities</b>	<b>5,013,867.75</b>
<b>Total Liabilities</b>	<b>6,031,535.53</b>
<b>Equity</b>	
<b>Capital Stock</b>	
Common Stock	28,626.30
Preferred Stock	100,000.00
Treasury Stock	-46,450.00
<b>Total Capital Stock</b>	<b>82,176.30</b>
<b>Retained Earnings</b>	<b>-1,932,977.70</b>
<b>Net Income</b>	<b>-1,445,526.05</b>
<b>Total Equity</b>	<b>-3,296,327.45</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>2,735,208.08</b>