Condensed Consolidated Financial Statements

Horizon Group Properties, Inc.

For the three months ended March 31, 2026 and 2025

Horizon Group Properties, Inc.

Condensed Consolidated Financial Statements

(Unaudited)

Contents

HORIZON GROUP PROPERTIES, INC.

Condensed Consolidated Balance Sheets

(unaudited)

	March 31, 2026	December 31, 2025
	(In thousands)	
ASSETS		
Real estate		
Land	$ 565	$ 565
Buildings and improvements	3,411	3,411
Less accumulated depreciation	(1,741)	(1,689)
	2,235	2,287
Construction in progress	3	3
Land held for investment	17,962	17,816
Total net real estate	20,200	20,106
Investment in and advances to joint ventures	23,331	23,574
Investment in and advances to joint ventures, at fair value	51,519	51,519
Cash and cash equivalents	3,139	3,979
Restricted cash	1,848	1,834
Marketable securities, at fair value	4,830	4,793
Tenant and other accounts receivable, net	539	578
Deferred costs, (net of accumulated amortization of $64 and $61, respectively)	17	20
Notes receivable	18,124	18,130
Other assets	1,469	1,280
Total assets	$ 125,016	$ 125,813
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage and other debt (net of unamortized debt issuance costs of $122 and $126, respectively)	$ 12,213	$ 12,282
Accounts payable and other accrued expenses	10,039	10,445
Prepaid rents and other tenant liabilities	183	181
Total liabilities	22,435	22,908
Commitments and contingencies		
Stockholders' equity:		
Common stock ($.01 par value, 50,000 shares authorized, 9,799 shares issued and outstanding)	97	98
Preferred stock ($.01 par value, 50,000 shares authorized, 2 shares issued and outstanding)	-	-
Additional paid-in capital	113,672	114,100
Accumulated deficit	(30,147)	(30,306)
Total stockholders' equity attributable to the controlling interest	83,622	83,892
Noncontrolling interests in consolidated subsidiaries	18,959	19,013
Total stockholders' equity	102,581	102,905
Total liabilities and stockholders' equity	$ 125,016	$ 125,813

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.

Condensed Consolidated Statements of Operations

(unaudited)

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
	(In thousands)	
REVENUE		
Base rent	$ 116	$ 89
Expense recoveries	49	27
Management, development, and leasing fees	761	1,053
Interest	422	449
Total revenue	1,348	1,618
EXPENSES		
Property operating	227	22
Real estate taxes	25	24
Other operating	17	12
Depreciation and amortization	54	100
General and administrative	1,634	1,602
Interest	237	434
Total expenses	2,194	2,194
OTHER INCOME AND EXPENSE		
Income from investment in joint ventures	1,796	1,756
Other income (expense)	11	(31)
Gain from sale of real estate	-	5,468
Total other income	1,807	7,193
Consolidated net income	961	6,617
Less net loss (income) attributable to the noncontrolling interests	15	(755)
Net income attributable to the Company	$ 976	$ 5,862

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.
Condensed Consolidated Statements of Stockholders' Equity
(In thousands)

	Common and Preferred Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity Attributable to the Controlling Interest	Noncontrolling Interests in Consolidated Subsidiaries	Total Stockholders' Equity
Balance, January 1, 2026	$ 98	$ 114,100	$ (30,306)	$ 83,892	$ 19,013	$ 102,905
Net income	-	-	976	976	(15)	961
Share repurchase	(1)	(428)	-	(429)	-	(429)
Dividends	-	-	(817)	(817)	-	(817)
Distributions to noncontrolling interests	-	-	-	-	(39)	(39)
Balance, March 31, 2026	$ 97	$ 113,672	$ (30,147)	$ 83,622	$ 18,959	$ 102,581

	Common and Preferred Stock	Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity Attributable to the Controlling Interest	Noncontrolling Interests in Consolidated Subsidiaries	Total Stockholders' Equity
Balance, January 1, 2025	$ 98	$ 114,100	$ (37,068)	$ 77,130	$ 18,091	$ 95,221
Net income	-	-	5,862	5,862	755	6,617
Dividends	-	-	(777)	(777)	-	(777)
Distributions to noncontrolling interests	-	-	-	-	(30)	(30)
Balance, March 31, 2025	$ 98	$ 114,100	$ (31,983)	$ 82,215	$ 18,816	$ 101,031

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.

Condensed Consolidated Statements of Cash Flows

(unaudited)

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Cash flows used in operating activities:	*(In thousands)*	
Net income	$ 961	$ 6,617
Adjustments to reconcile net income		
to net cash provided by (used in) operating activities:		
Operating distributions from joint ventures	927	1,134
Income from investment in joint ventures	(1,796)	(1,756)
Gain from sale of real estate	-	(5,468)
Depreciation	52	53
Amortization	2	46
Interest expense from deferred finance costs	5	5
Changes in fair value of marketable securities	99	43
Changes in assets and liabilities:		
Tenant and other accounts receivable, net	39	136
Deferred costs, net, and other assets	(188)	(86)
Accounts payable and other accrued expenses	(406)	(1,962)
Prepaid rents and other tenant liabilities	2	22
Net cash used in operating activities	(303)	(1,216)
Cash flows provided by investing activities:		
Proceeds from sale of marketable securities	608	-
Purchase of marketable securities	(744)	-
Net proceeds from sale of real estate	-	11,884
Distributions from joint ventures, return of capital	1,112	977
Collections on notes receivable	6	5
Expenditures for real estate	(146)	(231)
Net cash provided by investing activities	836	12,635
Cash flows used in financing activities:		
Distributions to noncontrolling interests	(39)	(30)
Stock repurchase	(429)	-
Dividends	(817)	(777)
Principal payments on mortgages and other debt	(74)	(8,829)
Net cash used in financing activities	(1,359)	(9,636)
Net increase (decrease) in cash, cash equivalents, and restricted cash	(826)	1,783
Cash, cash equivalents, and restricted cash:		
Beginning of year	5,813	8,688
End of year	$ 4,987	$ 10,471

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.
Consolidated Statements of Cash Flows, continued
(unaudited)

	Three Months Ended March 31, 2026		Three Months Ended March 31, 2025	
	(In thousands)			
Reconciliation from consolidated statements of cash flows to consolidated balance sheets:				
Cash and cash equivalents	$	3,139	$	7,384
Restricted cash		1,848		3,087
Cash, cash equivalents, and restricted cash, End of year	$	4,987	$	10,471

See accompanying notes to condensed consolidated financial statements.

Note 1 – Organization and Basis of Presentation

Horizon Group Properties, Inc. ("HGPI" or, together with its subsidiaries "HGP" or the "Company") is a Maryland corporation that was established on June 15, 1998. The operations of the Company are conducted primarily through a subsidiary limited partnership, Horizon Group Properties, L.P. ("HGP LP") of which HGPI is the sole general partner. As of March 31, 2026 and December 31, 2025, HGPI owned approximately 87% of the partnership interests (the "Common Units") of HGP LP. In general, Common Units are exchangeable for shares of Common Stock on a one-for-one basis (or for an equivalent cash amount at HGPI's election).

The accompanying unaudited condensed consolidated financial statements include the accounts of all majority-owned subsidiaries, and all significant inter-company amounts have been eliminated. Due to the seasonal nature of certain operational activities, among other factors, the results for the interim period ended March 31, 2026, are not necessarily indicative of the results that may be obtained for the full fiscal year.

These condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") and include selected information and disclosures for the interim periods. Accordingly, they do not include all of the disclosures required by GAAP for complete financial statements. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes for the year ended December 31, 2025.

The Company's primary assets are its investments in subsidiary entities that own real estate. HGPI consolidates the results of operations and the balance sheets of those entities of which the Company owns the majority interest and of those variable interest entities of which the Company is the primary beneficiary. The Company accounts for its investments in entities which do not meet these criteria using the equity or cost method. The entities referred to herein are consolidated subsidiaries of the Company, unless they are discussed in Note 4; those entities are accounted for using the equity method of accounting.

Note 2 - Summary of Significant Accounting Policies

The condensed consolidated financial statements have been prepared in conformity with GAAP, which require management to make estimates and assumptions that affect the reported amounts of assets and liabilities (including disclosure of contingent assets and liabilities) at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

In the opinion of management, all adjustments necessary for a fair statement of the financial position and results of operations for the interim periods presented have been included in these condensed consolidated financial statements and are of a normal and recurring nature.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of HGPI and all subsidiaries that HGPI controls, including HGP LP. The Company considers itself to control an entity if it is the majority owner of or has voting control over such entity. All significant intercompany balances and transactions have been eliminated in consolidation.

Pre-Development Costs

The pre-development stage of a project involves certain costs to ascertain the viability of a potential project and to secure the necessary land. Direct costs to acquire the assets are capitalized as future development costs once the acquisition becomes probable. These costs are carried in Other Assets until conditions are met that indicate that development is forthcoming, at which point the costs are reclassified to Construction in Progress. In the event a development is no longer deemed probable and costs are deemed to be non-recoverable, the applicable costs previously capitalized are expensed when the project is abandoned or these costs are determined to be non-recoverable.

At March 31, 2026 and December 31, 2025, there were no such pre-development costs.

Revenue Recognition

Revenue from Leasing Arrangements

The Company's revenues primarily result from revenue from leasing arrangements. Leases with tenants are accounted for as operating leases. Lease revenues included minimum rent, percentage rent, other rents and reimbursements form tenants for real estate taxes, insurance, CAM and other operating expenses as provided in these lease agreements. Minimum annual rentals are recognized on a straight-line basis over the terms of the respective leases. Rents that represent basic occupancy costs, including fixed amounts and amounts computed as a function of sales, are classified as base rent. Amounts which may become payable in addition to base rent and which are computed as a function of sales in excess of certain thresholds are classified as percentage rents and are accrued after the reported tenant sales exceed the applicable thresholds. Expense recoveries based on common area maintenance expenses and certain other expenses are accrued in the period in which the related expense is incurred.

Management, Development and Leasing Fees

The company earns revenue from contracts with third parties and unconsolidated affiliates for property management, leasing, development and other services. These contracts are accounted for on a month-to-month basis. Management fees are charged as a percentage of revenues and recognized as revenue over time as services are provided. Leasing fees are charged for newly executed leases and lease renewals and are recognized as revenue upon lease execution, when the performance obligation is completed. Development fees are set as a fixed rate in a separate agreement.

Development and leasing fees received from an unconsolidated affiliate are recognized as revenue only to the extent of the third-party partner's ownership interest. The Company's share of such fees are recorded as a reduction to the Company's investment in the unconsolidated affiliate. Fees received from consolidated joint ventures are eliminated in consolidation.

Income Taxes

Deferred income taxes are recorded based on enacted statutory rates to reflect the tax consequences in future years of the differences between the tax bases of assets and liabilities and their financial reporting amounts. Deferred tax assets, such as net operating loss carryforwards which will generate future tax benefits, are recognized to the extent that realization of such benefits through future taxable earnings or alternative tax strategies in the foreseeable future is more likely than not.

As of March 31, 2026 and December 31, 2025, and for the periods then ended, the Company did not have a net liability for any unrecognized tax benefits. The Company recognizes interest and penalties, if any, related to unrecognized tax benefits as interest or general and administrative expense in the statement of operations. For the periods ended March 31, 2026 and 2025, the Company did not incur any interest or penalties.

Investments in Joint Ventures

The Company uses the equity method of accounting for its investments in Joint Ventures, as the Company is able to significantly influence the operations of the underlying investment, but does not control the underlying investment. The investments are recorded at initial cost and adjusted for the Company's proportionate share of income or loss. Contributions and distributions are treated as additions or reductions of the investments' cost basis.

The Company elected the fair value option for its investment in Horizon Atlanta and Horizon Louisville. Due to the nature of these investments, the Company elected the fair value option to more accurately present the Company's portion of the value and changes thereof in the underlying investments. Changes in the fair value of the joint ventures are recorded as a component of income from investment in joint ventures on the consolidated statement of operations.

Distributions are reported in cash flows from operations unless the facts and circumstances of a specific distribution clearly indicate that it is a return of capital, which would then be presented as cash flows from investing activities.

Subsequent Events

The Company has evaluated subsequent events through June 18, 2026, the date the condensed consolidated financial statements were available to be issued.

Note 3 - Investment in Real Estate

The following table contains information on the operating properties, restaurants, and land held for investment owned by the Company and for which the Company consolidates the results of operations and the assets and liabilities as of March 31, 2026.

Property Name	Location	Property Type	Gross Leasable Area (Sq. Ft.)	Net Carrying Value (in thousands)	Ownership Percentage
Village Green Center	Huntley, IL	Retail	22,204	$ 2,147	100.0%
Corporate Office	Chicago, IL	Various	N/A	88	100.0%
	Total		22,204	$ 2,235	
			Acres		
Land held for Investment	Fruitport, MI	Land	6	$ 156	100.0%
Laredo Phase II Land	Laredo, TX	Land	2	900	60.8%
Ridgewalk Land	Woodstock, GA	Land	77	5,510	100.0%
Land Held for Investment	Huntley, IL	Land	286	11,396	100.0%
	Total		371	$ 17,962	

The portion of the net income or loss of HGPI's subsidiaries owned by parties other than HGPI is reported as Net Income or Loss Attributable to the Noncontrolling Interests on the Company's condensed consolidated statements of operations and such parties' portion of the net equity in such subsidiaries is reported on the Company's condensed consolidated balance sheets as Noncontrolling Interests in Consolidated Subsidiaries.

Note 4 - Investment in Joint Ventures

The following table contains information and the effective ownership percentage attributable to the Company for the joint venture outlet centers in operation or development as of March 31, 2026. In addition, the joint ventures own out parcels and other land for development.

Property Name	Location	Property Type	Leasable Area (Sq. Ft.)	Ownership Percentage
The Outlet Shoppes at El Paso	El Paso, TX	Outlet Retail	433,045	49.41%
The Outlet Shoppes at Gettysburg	Gettysburg, PA	Outlet Retail	249,937	48.90%
The Outlet Shoppes at Atlanta	Woodstock, GA	Outlet Retail	405,146	48.52%
The Outlet Shoppes of the Bluegrass	Louisville, KY	Outlet Retail	428,060	47.79%
The Outlet Shoppes at Laredo	Laredo, TX	Outlet Retail	357,866	33.29%
Lincoln City Outlets	Lincoln City, OR	Outlet Retail	255,608	12.00%
Outlets at the Dells	Baraboo, WI	Outlet Retail	269,315	10.75%
Total			2,398,977	

El Paso Entities

During 2012, the Company formed a joint venture in El Paso Outlet Holdings, LLC ("El Paso Holding") with an affiliate of CBL & Associates Properties, Inc. ("CBL") for the outlet shopping mall in El Paso, Texas. El Paso Holding indirectly owns the outlet shopping center in El Paso, TX ("the El Paso Center") through its ownership interest in an entity that owns El Paso Outlet Center CMBS, LLC ("El Paso CMBS"). At March 31, 2026 and December 31, 2025, El Paso Holding was owned 50% by CBL, 25% by Horizon El Paso, LLC ("Horizon El Paso"), 25% by the Company.

El Paso Outlet Outparcels, LLC owns several outparcels (the "Outparcels"). At March 31, 2026 and December 31, 2025, Outparcels was owned 50% by Horizon El Paso, 33.3333% by CBL, 11.75% by Pleasant Lake Apts., LP ("PLA"), an entity owned by Howard Amster, majority shareholder and director of the Company, and 4.9167% by Pleasant Lake Skoien Investments, LLC ("PL Skoein"), an entity owned by Howard Amster and Gary Skoien, the Chairman of the Board, Chief Executive Officer ("CEO"), President, and a shareholder of the Company.

El Paso Outlet Outparcels II, LLC, formed in 2019, owns ancillary land adjacent to the shopping center (the "Outparcels II"). At March 31, 2026 and December 31, 2025, Outparcels II was owned 50% by CBL and 50% by Horizon El Paso.

At March 31, 2026 and December 31, 2025, the Company owned 97.4% of the preferred interests and 92.8% of the common interest in Horizon El Paso, respectively.

At March 31, 2026 and December 31, 2025, El Paso CMBS had a note payable originated by Deutche Bank with an outstanding principal balance of $65.5 million and $65.8 million, respectively, secured by the El Paso Center. The annual interest rate is 5.103%. Payments are $407,350 per month, based on a 30-year amortization. The loan matures on October 6, 2028. El Paso CMBS is a separate entity from the Company and its affiliates and its assets and credits are not available to satisfy the debts and obligations of affiliates of the Company or any other person.

The Company received management, leasing, and similar fees from El Paso Center that totaled $217,000 and $281,000 during the three months ended March 31, 2026 and 2025, respectively.

Summary financial information (stated at 100%) for the El Paso entities as of March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025, are as follows (in thousands):

	As of March 31, 2026	As of December 31, 2025
Assets		
Real estate - net	$ 67,060	$ 67,101
Cash and cash equivalents	1,556	1,566
Restricted cash	1,095	3,275
Other assets	2,810	2,992
Total assets	$ 72,521	$ 74,934
Liabilities and members' equity		
Mortgages and other debt	$ 65,459	$ 65,843
Other liabilities	1,894	3,300
Members' equity	5,168	5,791
Total liabilities and members' equity	$ 72,521	$ 74,934

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Statements of Operations		
Revenue	$ 4,789	$ 4,595
Operating expenses	1,204	1,237
General and administrative expenses	286	288
Depreciation and amortization expense	960	959
Interest expense	859	878
Total expenses	3,309	3,362
Net income	$ 1,480	$ 1,233

Gettysburg Entities

During 2012, an entity owned by an affiliate of CBL and an affiliate of Howard Amster and Gary Skoien formed a joint venture in Gettysburg Outlet Center Holding, LLC and Gettysburg Outlet Center LLC (the “Gettysburg entities”) At March 31, 2026 and December 31, 2025, the Gettysburg entities are owned 50% by CBL, 48.9% by the Company, and 1.1% by other entities. Gettysburg Outlet Center Holding, LLC, owns Gettysburg Outlet Center, LP, which owns 100% of Gettysburg Outlet Center CMBS, LLC (“Gettysburg CMBS”) which owns the shopping center. Gettysburg Outlet Center LLC owns vacant land around the shopping center. The members of the Gettysburg entities accrue a 10% preferred return on capital invested.

The mortgage loan for Gettysburg CMBS is secured by the shopping center, had an initial balance of $38.5 million, bears interest at 4.8% and matured in 2025. Gettysburg CMBS defaulted under the loan agreement by virtue of its failure to pay all amounts due on the maturity date. On February 20, 2026, the trustee for the Gettysburg CMBS loan filed a mortgage foreclosure action. In connection with the foreclosure action, the lender has sought the appointment of a receiver to operate and manage the property during the pendency of the proceedings. The Company is cooperating with respect to the foreclosure action. Given the non-recourse nature of the loan, the Company does not anticipate additional obligations. No loss on the disposal of the center is anticipated as the Company carries its investment in Gettysburg CMBS at zero. Gettysburg CMBS is a separate entity from the Company and its affiliates and its assets and credits are not available to satisfy the debts and obligations of affiliates of the Company or any other person. The mortgage balance was $19.4 million at March 31, 2026 and December 31 2025.

The Company received management, leasing and similar fees from the Gettysburg Entities that totaled $45,000 and $47,000 during the three months ended March 31, 2026 and 2025, respectively.

Summary financial information (stated at 100%) of the Gettysburg entities as of March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025, is as follows (in thousands):

	As of March 31, 2026	As of December 31, 2025
Assets		
Real estate - net	$ 9,620	$ 9,673
Cash and cash equivalents	270	166
Restricted cash	1,822	1,397
Other assets	687	860
Total assets	$ 12,399	$ 12,096
Liabilities and members' deficit		
Mortgages and other debt	$ 19,438	$ 19,438
Other liabilities	3,527	2,961
Members' deficit	(10,566)	(10,303)
Total liabilities and members' deficit	$ 12,399	$ 12,096

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Statements of Operations		
Revenue	$ 1,141	$ 1,399
Operating expenses	704	728
General and administrative expenses	63	115
Depreciation and amortization expense	160	269
Interest expense	476	245
Total expenses	1,403	1,357
Net income (loss)	$ (262)	$ 42

Atlanta Entities

During 2012, the Company entered into a joint venture (the "Atlanta JV") with an affiliate of CBL to develop The Outlet Shoppes at Atlanta in Woodstock, Georgia ("the Atlanta Center"). At March 31, 2026 and December 31, 2025, the Atlanta JV was owned 50% by CBL, 35% by Horizon Atlanta Outlet Shoppes, LLC ("Horizon Atlanta") , and 15% by the Company. At March 31, 2026 and December 31, 2025, the Company owns 94.1% of the preferred interests and 90.1% of the common interests in Horizon Atlanta, but maintains voting control over Horizon Atlanta. The Company is responsible for the leasing and management of the center.

At March 31, 2026 and December 31, 2025, the Atlanta JV had a note payable originated by Barclays Capital and Goldman Sachs with an outstanding principal balance of $79.3 million, secured by the Atlanta Center. The loan matures October 6, 2033 and bears interest at 7.85%. Payments are interest only through the maturity date. The Atlanta JV is a separate entity from the Company and its affiliates and its assets and credits are not available to satisfy the debts and obligations of affiliates of the Company or any other person.

The Company received development, management, leasing, and similar fees from Atlanta JV that totaled $108,000 and $109,000 for the three months ended March 31, 2026 and 2025, respectively.

Summary financial information (stated at 100%) of the Atlanta entities as of March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025, is as follows (in thousands):

	As of March 31, 2026	As of December 31, 2025
Assets		
Real estate - net	$ 36,336	$ 36,636
Cash and cash equivalents	622	790
Restricted cash	650	622
Other assets	3,070	3,260
Total assets	$ 40,678	$ 41,308
Liabilities and members' deficit		
Mortgages and other debt	$ 79,330	$ 79,330
Other liabilities	1,336	1,403
Members' deficit	(39,988)	(39,425)
Total liabilities and members' deficit	$ 40,678	$ 41,308

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Statements of Operations		
Revenue	$ 4,047	$ 4,138
Operating expenses	864	756
General and administrative expenses	172	180
Depreciation and amortization expense	645	643
Interest expense	1,579	1,579
Total expenses	3,260	3,158
Net income	$ 787	$ 980

Bluegrass Entities

During 2013, the Company entered into a joint venture (the "Louisville JV") with an affiliate of CBL to develop The Outlet Shoppes of the Bluegrass in Louisville, Kentucky ("the Bluegrass Center"). At March 31, 2026 and December 31, 2025, the Louisville JV was owned 65% by CBL and 35% by Horizon Louisville Outlets, LLC ("Horizon Louisville"). At March 31, 2026 and December 31, 2025, the Company owns 93.69% of the preferred interests and 89.97% of the common interests in Horizon Louisville, but maintains voting control over Horizon Louisville.

Horizon Louisville has met certain return of investment and internal rate of return criteria stipulated in the joint venture agreement with CBL; therefore, the Company's share of future distributions from the Louisville JV increased from 35% to 50%. The Company is responsible for the leasing and management of the center.

At March 31, 2026 and December 31, 2025, the Louisville JV had a note payable originated by Goldman Sachs with an outstanding principal balance of $65.1 million and $65.3 million, respectively, secured by the Bluegrass Center. The loan matures November 6, 2034 and bears interest at 6.84%. Payments are $431,943 per month, based on a 30 year amortization. The Louisville JV is a separate entity from the Company and its affiliates and its assets and credits are not available to satisfy the debts and obligations of affiliates of the Company or any other person.

The Company received management, leasing, and similar fees from the Louisville JV that totaled $181,000 and $296,000 for the three months ended March 31, 2026 and 2025, respectively.

Summary financial information (stated at 100%) of the Louisville JV as of March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025, is as follows (in thousands):

	As of March 31, 2026	As of December 31, 2025
Assets		
Real estate - net	$ 39,706	$ 39,787
Cash and cash equivalents	938	721
Restricted cash	1,397	1,415
Other assets	2,577	2,654
Total assets	$ 44,618	$ 44,577
Liabilities and members' deficit		
Mortgages and other debt	$ 65,133	$ 65,313
Other liabilities	1,609	1,064
Members' deficit	(22,124)	(21,800)
Total liabilities and members' deficit	$ 44,618	$ 44,577

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Statements of Operations		
Revenue	$ 3,158	$ 3,161
Operating expenses	1,008	835
General and administrative expenses	145	148
Depreciation and amortization expense	692	791
Interest expense	1,135	1,158
Total expenses	2,980	2,932
Net income	$ 178	$ 229

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Laredo Entities

On May 10, 2016, the Company, CBL, and Lawrence Friedman formed a joint venture, Laredo Outlet JV, LLC (“Laredo JV”) to develop an outlet shopping center in Laredo, Texas (“the Laredo Center”). At March 31, 2026 and December 31, 2025, Laredo JV is owned 65% by CBL and 35% by Horizon El Portal, LLC (“Horizon El Portal”). At March 31, 2026 and December 31, 2025, the Company owns 95.1% of Horizon El Portal. Lawrence Friedman is a Class B member and will participate in distributions after certain internal rate of return hurdles are met.

At March 31, 2026 and December 31, 2025, Laredo JV had a note payable with US Bank with outstanding principal balance of $31.1 million and $31.4 million, respectively, secured by the Laredo Center. Monthly interest payments on the loan are at SOFR and 3.50%. Monthly principal payments are $100,000. On September 30, 2025, the loan was amended adding a Burlington TI Escrow reserve in the amount of $1.3 million, and extending the loan maturity to June 30, 2026. The Company also executed a Letter Agreement with CBL dated September 30, 2025, requiring Horizon El Portal to fund the Burlington TI Escrow and any operating deficits through June 30, 2026 arising during this period, but limited to and not in excess of the projected operating deficits set forth in the budget in the amount of $650,000. During this period, distributable cash is allocated preferentially to the Company under a tiered distribution structure until the Company achieves a 20% internal rate of return on its funding period contributions. On September 30, 2025, the Company made a capital contribution of $1.4 million to fund the loan closing. On November 20, 2025, the Company made a subsequent capital contribution to fund an operating deficit of $680,000, which is in excess of the contribution limit but the Company expects to be reimbursed in 2026.

The Company received management, leasing, and similar fees from the Laredo JV that totaled $63,000 and $59,000 for the three months ended March 31, 2026 and 2025, respectively.

Summary financial information (stated at 100%) of the Laredo JV as of March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025, is as follows (in thousands):

	As of March 31, 2026	As of December 31, 2025
Assets		
Real estate - net	$ 33,721	$ 33,942
Cash and cash equivalents	1,060	437
Restricted cash	1,044	1,187
Other assets	1,397	1,642
Total assets	$ 37,222	$ 37,208
Liabilities and members' equity		
Mortgages and other debt	$ 31,055	$ 31,380
Other liabilities	3,739	3,496
Members' equity	2,428	2,332
Total liabilities and members' equity	$ 37,222	$ 37,208

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Statements of Operations		
Revenue	$ 2,135	$ 2,011
Operating expenses	934	920
General and administrative expenses	93	95
Depreciation and amortization expense	409	443
Interest expense	604	662
Total expenses	2,040	2,120
Net income (loss)	$ 95	$ (109)

Lincoln City Entities

On February 13, 2024, the Company, Gary Skoien, and Betty Kimbrew formed a joint venture, LC Outlets JV, LLC ("LCO JV") to acquire Lincoln City Outlets, an outlet center in Lincoln City, Oregon ("the Lincoln City Center"). At March 31, 2026 and December 31, 2025, LCO JV is owned 56% by Gary Skoien, 32% by Betty Kimbrew and 12% by the Company.

At March 31, 2026 and December 31, 2025, the LCO JV, had a note payable originated with an affiliate of Citi Financial with an outstanding principal balance of $23.2 million, and is secured by the Lincoln City Center. The loan matures March 6, 2034 and bears interest at 7.15%. Payments are interest only through the maturity date. Howard Amster and an affiliate of Howard Amster loaned the Company total of $ 10.3 million in conjunction with the transaction, The Company made a loan of $7.6 million to Gary Skoien and a loan of $2.8 million to Betty Kimbrew in conjunction with the transaction. Each loan is guaranteed by the respective borrower. LCO CMBS is a separate entity from the Company and its affiliates and its assets and credits are not available to satisfy the debts and obligations of affiliates of the Company or any other person.

The Company received management, leasing, and similar fees from the LCO JV that totaled $44,000 and $55,000 for the three months ended March 31, 2026 and 2025, respectively.

Summary financial information (stated at 100%) of the LCO JV as of March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025, is as follows (in thousands):

	As of March 31, 2026	As of December 31, 2025
Assets		
Real estate - net	$ 29,721	$ 29,928
Cash and cash equivalents	322	341
Restricted cash	1,520	1,315
Other assets	2,583	2,930
Total assets	$ 34,146	$ 34,514
Liabilities and members' equity		
Mortgages and other debt	$ 23,163	$ 23,163
Other liabilities	449	568
Members' equity	10,534	10,783
Total liabilities and members' equity	$ 34,146	$ 34,514

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Statements of Operations		
Revenue	$ 1,376	$ 1,308
Operating expenses	563	429
General and administrative expenses	57	66
Depreciation and amortization expense	394	478
Interest expense	435	435
Total expenses	1,449	1,408
Net loss	$ (73)	$ (100)

Dells Entities

On March 22, 2024, the Company and Dells TIC, LLC ("Dells TIC"), an entity owned by PLA, formed a joint venture, Dells Acquisition Company, LLC ("Dells JV") to acquire a 71.75% membership interest in Wisconsin Dells Outlet Holding, LLC ("Dells Holding") which owned 100% of Wisconsin Dells Outlet Fee LLC ("Dells Owner") which owned the Outlets at The Dells in Baraboo, Wisconsin ("the Dells Center"). Subsequent to the acquisition of the 71.75% interest in Dells Holding, Dells Holding was liquidated by the distribution of the following tenant-in-common interests: 61% to Dells TIC, LLC ("Dells TIC"), 10.75% to HGP TIC, LLC ("HGP TIC"), and 28.25% to Tall Pines TIC, LLC ("Tall Pines TIC"). Dells TIC is owned by an affiliate of Howard Amster, HGP TIC is owned by the Company and Tall Pines TIC is owned by the entity that owned the other 28.25% of Dells Owner.

At March 31, 2026 and December 31, 2025, HGP TIC, Dells TIC, and Tall Pines TIC, collectively had a note payable that originated from an affiliate of Barclays Capital with an outstanding principal balance of $36.7 million, secured by the Dells Center. The loan has matures on April 6, 2034 and bears interest at 7.07%. Payments are interest only through the maturity date. Dells TIC and Tall Pines TIC are separate entities from the Company and its affiliates and their assets and credits are not available to satisfy the debts and obligations of affiliates of the Company or any other person.

The Company received management, leasing, and similar fees from the Outlet at The Dells that totaled $71,000 and $76,000 for the three months ended March 31, 2026 and 2025, respectively.

Summary financial information (stated at 100%) of the Outlet at The Dells as of March 31, 2026 and December 31, 2025, and for the three months ended March 31, 2026 and 2025, is as follows (in thousands)):

	As of March 31, 2026	As of December 31, 2025
Assets		
Real estate - net	$ 48,643	$ 49,040
Cash and cash equivalents	276	355
Restricted cash	605	671
Other assets	2,920	3,168
Total assets	$ 52,444	$ 53,234
Liabilities and members' equity		
Mortgages and other debt	$ 36,730	$ 36,730
Other liabilities	764	1,091
Members' equity	14,950	15,413
Total liabilities and members' equity	$ 52,444	$ 53,234

	Three Months Ended March 31, 2026	Three Months Ended March 31, 2025
Statements of Operations		
Revenue	$ 1,966	$ 1,936
Operating expenses	731	695
General and administrative expenses	82	93
Depreciation and amortization expense	568	659
Interest expense	674	674
Total expenses	2,055	2,121
Net loss	$ (89)	$ (185)

Note 5 – Mortgages and Other Debt

Total secured indebtedness was $12.2 million and $12.3 million at March 31, 2026 and December 31, 2025, respectively. Cash paid for interest for the three months ended March 31, 2026 and 2025 was $234,000 and $656,000, respectively, of which $129,000 and $448,000, respectively, was paid to a related party.

The Company's ability to secure new loans is limited by the fact that most of the Company's real estate assets are currently pledged as collateral for its current loans. The Company will pay the scheduled principal amortization in the normal course of business during 2026.

Note 6 - Related Party Transactions

At March 31, 2026 and December 31, 2025, PLA owns 11.75%, of El Paso Outparcels, and 100% of Dells TIC.

At March 31, 2026 and December 31, 2025, PL Skoien, owns 4.9167%, of El Paso Outparcels.

At March 31, 2026 and December 31, 2025, Gary Skoien, owns 56% of LCO JV.

At March 31, 2026 and December 31, 2025, David Tinkham, an officer of the Company, owned 1.27% of Horizon Atlanta, and 3.24% of Horizon Louisville.

At March 31, 2026 and December 31, 2025, Andrew Pelmoter, an officer of the Company, owned 2.12% of Horizon Atlanta, and 4.31% of Horizon Louisville, in addition to the Net Profits Interests discussed below.

The Company has granted Common interests in Horizon El Paso, Horizon OKC, Horizon Atlanta, and Horizon Louisville (the "Net Profits Interests") to certain officers of the Company. Holders of the Net Profits Interests are not entitled to any distributions until the holders of the preferred interests have received their capital and a 12% return thereon.

Net Profits Interests are recorded as a component of accounts payable and other accrued expenses on the accompanying balance sheet. The Net Profits Interests associated with Horizon Atlanta and Horizon Louisville continue to be adjusted associated with the Company's fair value election on these investments discussed in Note 1. As of March 31, 2026 and December 31, 2025, the Net Profits Interest liability approximated $6.7 million and $6.8 million, respectively.

Net profits interests have been granted to officers of the Company as follows: (1) Horizon El Paso - 3.5%, to Andrew Pelmoter, (2) Horizon OKC - 2.5%, 2.5% and 3% to Gary Skoien, Tom Rumptz and Andrew Pelmoter, respectively; (3) Horizon Atlanta, - 1.25%, 1.25%, 1.25% and .0375% to Messers Skoien, Rumptz, Pelmoter and James Harris, respectively, (4) Horizon Louisville, - 1.25%, 1.25%, 1.25% and .0375% to Messers Skoien, Rumptz, Pelmoter and Harris, respectively, and (5) Horizon El Portal, - 1.52%, 1.52%, 1.22% and .61% to Messers Skoien, Pelmoter, Rumptz and Harris, respectively.

On February 7, 2024, the Company made an unsecured loan to Gary Skoien in the amount of $7.6 million. The related unsecured note payable by Mr. Skoien has a term of 10 years and bears interest at 8.5%. Monthly debt service payments are equal to the distributions received by Mr. Skoien in the prior month related to his ownership in the Lincoln City Outlets JV, LLC (See Note 4). The amount of any monthly payment in excess of the interest due shall be applied to reduce principal. The loan balance was $7.6 million at March 31, 2026 and December 31, 2025.

On February 7, 2024, the Company made an unsecured loan to Betty Kimbrew in the amount of $2.8 million. The related unsecured note payable by Ms. Kimbrew has a term of 10 years and bears interest at 8.5%. Monthly debt service payments are equal to approximately 65.5% of the distributions received by Ms. Kimbrew in the prior month related to her ownership in the Lincoln City Outlets JV, LLC (See Note 4). The amount of any monthly payment in excess of the interest due shall be applied to reduce principal. The loan balance was $2.8 million at March 31, 2026 and December 31, 2025.

On February 7, 2024, the Company borrowed $7.3 million from PLA. The related note payable by the Company has a term of 10 years and bears interest at 8.5%. Monthly debt service payments are equal to 70.9% of the payments received by the Company from the notes from Gary Skoien and Betty Kimbrew. The amount of any monthly payment in excess of the interest due shall be applied to reduce principal. On March 28, 2025, the Company made a principal reduction payment in the amount of $3.3 million. On April 2, 2025 and July 8, 2025, the Company made subsequent principal reduction payments in the amount of $500,000. At March 31, 2026 and December 31, 2025, the loan balance was $3.0 million.

On February 7, 2024, the Company borrowed $3.0 million from Howard Amster. The related note payable by the Company has a term of 10 years and bears interest at 8.5%. Monthly debt service payments are equal to 29.1% of the payments received by the Company from notes from Gary Skoien and Betty Kimbrew. The amount of any monthly payment in excess of the interest due shall be applied to reduce principal. The loan balance was $3.0 million at March 31, 2026 and December 31, 2025.

On March 14, 2024, the Company made an unsecured loan to Laughlin Holdings, LLC, an affiliate 100% owned by Howard Amster, in the amount of $7.7 million. The related unsecured note receivable has a term of 3 years and bears interest at SOFR plus 4.25%. Payments are interest only through the maturity date. The loan balance was $7.7 million at March 31, 2026 and December 31, 2025.