

Condensed Consolidated Financial Statements

Horizon Group Properties, Inc.

For the six months ended June 30, 2026 and 2025

Horizon Group Properties, Inc.
Condensed Consolidated Financial Statements
(Unaudited)

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HORIZON GROUP PROPERTIES, INC.
Condensed Consolidated Balance Sheets
(unaudited)

	June 30, 2026	December 31, 2025
	<i>(In thousands)</i>	
ASSETS		
Real estate		
Land	\$ 565	\$ 565
Buildings and improvements	3,411	3,411
Less accumulated depreciation	<u>(1,793)</u>	<u>(1,689)</u>
	2,183	2,287
Construction in progress	3	3
Land held for investment	<u>18,171</u>	<u>17,816</u>
Total net real estate	20,357	20,106
Investment in and advances to joint ventures	23,320	23,574
Investment in and advances to joint ventures, at fair value	51,519	51,519
Cash and cash equivalents	2,565	3,979
Restricted cash	1,555	1,834
Marketable securities, at fair value	5,383	4,793
Tenant and other accounts receivable, net	523	578
Deferred costs, (net of accumulated amortization of \$67 and \$61, respectively)	14	20
Notes receivable	18,117	18,130
Other assets	1,914	1,280
Total assets	<u><u>\$ 125,267</u></u>	<u><u>\$ 125,813</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Mortgage and other debt (net of unamortized debt issuance costs of \$100 and \$126, respectively)	\$ 12,161	\$ 12,282
Accounts payable and other accrued expenses	9,712	10,445
Prepaid rents and other tenant liabilities	<u>196</u>	<u>181</u>
Total liabilities	<u>22,069</u>	<u>22,908</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock (\$.01 par value, 50,000 shares authorized, 9,702 and 9,799 shares issued and outstanding, respectively)	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	<u>(29,597)</u>	<u>(30,306)</u>
Total stockholders' equity attributable to the controlling interest	84,172	83,892
Noncontrolling interests in consolidated subsidiaries	<u>19,026</u>	<u>19,013</u>
Total stockholders' equity	103,198	102,905
Total liabilities and stockholders' equity	<u><u>\$ 125,267</u></u>	<u><u>\$ 125,813</u></u>

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.
Condensed Consolidated Statements of Operations
(unaudited)

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025
	<i>(In thousands)</i>	
REVENUE		
Base rent	\$ 116	\$ 112
Expense recoveries	43	32
Management, development, and leasing fees	917	859
Interest	421	459
Total revenue	<u>1,497</u>	<u>1,462</u>
EXPENSES		
Property operating	193	274
Real estate taxes	27	25
Other operating	14	(8)
Depreciation and amortization	55	57
General and administrative	1,414	1,534
Interest	252	262
Total expenses	<u>1,955</u>	<u>2,144</u>
OTHER INCOME AND EXPENSE		
Income from investment in joint ventures	1,005	1,696
Other income - net	518	53
Total other income and expense	<u>1,523</u>	<u>1,749</u>
Consolidated net income	1,065	1,067
Less net income attributed to the noncontrolling interests	<u>(86)</u>	<u>(117)</u>
Net income attributable to the Company	<u>\$ 979</u>	<u>\$ 950</u>

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.
Condensed Consolidated Statements of Operations
(unaudited)

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	<i>(In thousands)</i>	
REVENUE		
Base rent	\$ 232	\$ 201
Expense recoveries	92	59
Management, development, and leasing fees	1,678	1,912
Interest	843	908
Total revenue	<u>2,845</u>	<u>3,080</u>
EXPENSES		
Property operating	420	296
Real estate taxes	52	49
Other operating	31	4
Depreciation and amortization	109	157
General and administrative	3,048	3,136
Interest	489	696
Total expenses	<u>4,149</u>	<u>4,338</u>
OTHER INCOME AND EXPENSE		
Income from investment in joint ventures	2,801	3,452
Other income - net	529	22
Gain from sale of real estate	-	5,468
Total other income	<u>3,330</u>	<u>8,942</u>
Consolidated net income	2,026	7,684
Less net income attributed to the noncontrolling interests	<u>(71)</u>	<u>(872)</u>
Net income attributable to the Company	<u>\$ 1,955</u>	<u>\$ 6,812</u>

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.
Condensed Consolidated Statements of Stockholders' Equity
Six Months Ended June 30, 2026 and 2025
(unaudited, 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	-	-	1,955	1,955	71	2,026
Share repurchase	(1)	(428)	-	(429)	-	(429)
Dividends	-	-	(1,246)	(1,246)	-	(1,246)
Distributions to noncontrolling interests	-	-	-	-	(58)	(58)
Balance, June 30, 2026	<u>\$ 97</u>	<u>\$ 113,672</u>	<u>\$ (29,597)</u>	<u>\$ 84,172</u>	<u>\$ 19,026</u>	<u>\$ 103,198</u>

	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	-	-	6,812	6,812	872	7,684
Dividends	-	-	(1,411)	(1,411)	-	(1,411)
Distributions to noncontrolling interests	-	-	-	-	(69)	(69)
Balance, June 30, 2025	<u>\$ 98</u>	<u>\$ 114,100</u>	<u>\$ (31,667)</u>	<u>\$ 82,531</u>	<u>\$ 18,894</u>	<u>\$ 101,425</u>

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash flows used in operating activities:	<i>(In thousands)</i>	
Net income	\$ 2,026	\$ 7,684
Adjustments to reconcile net income to net cash provided by operating activities:		
Operating distributions from joint ventures	1,248	2,057
Income from investment in joint ventures	(2,801)	(3,452)
Gain from sale of real estate	-	(5,468)
Depreciation	104	106
Amortization	5	50
Interest expense from deferred finance costs	26	8
Changes in fair value of marketable securities	(351)	(29)
Changes in assets and liabilities:		
Tenant and other accounts receivable, net	55	382
Deferred costs, net, and other assets	(633)	(303)
Accounts payable and other accrued expenses	(733)	(1,977)
Prepaid rents and other tenant liabilities	15	33
Net cash used in operating activities	<u>(1,039)</u>	<u>(909)</u>
Cash flows provided by investing activities:		
Proceeds from sale of marketable securities	1,560	-
Purchase of marketable securities	(1,799)	(2,501)
Net proceeds from sale of real estate	-	11,884
Distributions from joint ventures, return of capital	1,807	1,709
Collections on notes receivable	13	12
Expenditures for real estate	(355)	(340)
Net cash provided by investing activities	<u>1,226</u>	<u>10,764</u>
Cash flows used in financing activities:		
Distributions to noncontrolling interests	(58)	(69)
Stock repurchase	(429)	-
Dividends	(1,246)	(1,411)
Principal payments on mortgages and other debt	(147)	(9,897)
Net cash used in financing activities	<u>(1,880)</u>	<u>(11,377)</u>
Net decrease in cash, cash equivalents, and restricted cash	<u>(1,693)</u>	<u>(1,522)</u>
Cash, cash equivalents, and restricted cash:		
Beginning of year	5,813	8,688
End of year	<u>\$ 4,120</u>	<u>\$ 7,166</u>

See accompanying notes to condensed consolidated financial statements.

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

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
	<i>(In thousands)</i>	
Reconciliation from consolidated statements of cash flows to consolidated balance sheets:		
Cash and cash equivalents	\$ 2,565	\$ 5,383
Restricted cash	1,555	1,783
Cash, cash equivalents, and restricted cash, End of year	\$ 4,120	\$ 7,166

See accompanying notes to condensed consolidated financial statements.

HORIZON GROUP PROPERTIES, INC.
Notes to Condensed Consolidated Financial Statements
Six Months Ended June 30, 2026 and 2025
(unaudited)

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 June 30, 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 June 30, 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

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previously capitalized are expensed when the project is abandoned or these costs are determined to be non-recoverable.

At June 30, 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 from 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 June 30, 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 June 30, 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.

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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 August 31, 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 June 30, 2026.

<u>Property Name</u>	<u>Location</u>	<u>Property Type</u>	<u>Gross Leasable Area (Sq. Ft.)</u>	<u>Net Carrying Value (in thousands)</u>	<u>Ownership Percentage</u>
Village Green Center	Huntley, IL	Retail	22,204	\$ 2,112	100.0%
Corporate Assets	Chicago, IL	Various	<u>N/A</u>	<u>71</u>	100.0%
	Total		<u>22,204</u>	<u>\$ 2,183</u>	
			<u>Acres</u>		
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	5,511	100.0%
Land Held for Investment	Huntley, IL	Land	<u>286</u>	<u>11,604</u>	100.0%
	Total		<u>371</u>	<u>\$ 18,171</u>	

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 June 30, 2026. In addition, the joint ventures' own out parcels and other land for development.

HORIZON GROUP PROPERTIES, INC.
Notes to Condensed Consolidated Financial Statements
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<u>Property Name</u>	<u>Location</u>	<u>Property Type</u>	<u>Leasable Area (Sq. Ft.)</u>	<u>Ownership Percentage</u>
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%
Outlet at the Dells	Baraboo, WI	Outlet Retail	<u>269,315</u>	10.75%
Total			<u>2,398,977</u>	

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 June 30, 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 June 30, 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 Skoien”), 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 June 30, 2026 and December 31, 2025, Outparcels II was owned 50% by CBL and 50% by Horizon El Paso.

At June 30, 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 June 30, 2026 and December 31, 2025, El Paso CMBS had a note payable originated by Deutsche Bank with an outstanding principal balance of \$65.1 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 \$258,000 and \$246,000 during the three months ended June 30, 2026 and 2025, respectively, and \$475,000 and \$527,000 during the six months ended June 30, 2026 and 2025, respectively.

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Summary financial information (stated at 100%) for the El Paso entities as of June 30, 2026, and December 31, 2025, and for the three and six months ended June 30, 2026 and 2025 are as follows (in thousands):

	As of June 30, 2026	As of December 31, 2025
Assets		
Real estate - net	\$ 67,190	\$ 67,101
Cash and cash equivalents	952	1,566
Restricted cash	1,510	3,275
Other assets	2,844	2,992
Total assets	<u>\$ 72,496</u>	<u>\$ 74,934</u>
Liabilities and members' equity		
Mortgages and other debt	\$ 65,070	\$ 65,843
Other liabilities	2,202	3,300
Members' equity	5,224	5,791
Total liabilities and members' equity	<u>\$ 72,496</u>	<u>\$ 74,934</u>

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Statements of Operations				
Revenue	<u>\$ 4,863</u>	<u>\$ 4,952</u>	<u>\$ 9,652</u>	<u>\$ 9,547</u>
Operating expenses	1,368	1,390	2,572	2,627
General and administrative expenses	268	281	554	569
Depreciation and amortization expense	966	950	1,926	1,909
Interest expense	853	872	1,712	1,750
Total expenses	<u>3,455</u>	<u>3,493</u>	<u>6,764</u>	<u>6,855</u>
Net income	<u>\$ 1,408</u>	<u>\$ 1,459</u>	<u>\$ 2,888</u>	<u>\$ 2,692</u>

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 June 30, 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. On May 12, 2026, the court entered an in rem

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judgement in mortgage foreclosure in favor of the lender and appointed a receiver to take possession of, 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 June 30, 2026 and December 31 2025.

The Company received management, leasing and similar fees from Gettysburg entities that totaled \$35,000 and \$72,000 during the three months ended June 30, 2026 and 2025, respectively, and \$80,000 and \$120,000 during the six months ended June 30, 2026 and 2025, respectively.

Summary financial information (stated at 100%) of the Gettysburg entities as of June 30, 2026, and December 31, 2025, and for the three and six months ended June 30, 2026 and 2025 is as follows (in thousands):

	As of June 30, 2026	As of December 31, 2025
Assets		
Real estate - net	\$ 9,589	\$ 9,673
Cash and cash equivalents	39	166
Restricted cash	2,188	1,397
Other assets	473	860
Total assets	<u>\$ 12,289</u>	<u>\$ 12,096</u>
Liabilities and members' deficit		
Mortgages and other debt	\$ 19,438	\$ 19,438
Other liabilities	3,715	2,961
Members' deficit	(10,864)	(10,303)
Total liabilities and members' deficit	<u>\$ 12,289</u>	<u>\$ 12,096</u>

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Statements of Operations				
Revenue	<u>\$ 1,068</u>	<u>\$ 1,193</u>	<u>\$ 2,209</u>	<u>\$ 2,592</u>
Operating expenses	709	838	1,413	1,566
General and administrative expenses	74	87	137	202
Depreciation and amortization expense	100	185	260	454
Interest expense	482	242	958	487
Total expenses	<u>1,365</u>	<u>1,352</u>	<u>2,768</u>	<u>2,709</u>
Net loss	<u>\$ (297)</u>	<u>\$ (159)</u>	<u>\$ (559)</u>	<u>\$ (117)</u>

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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 June 30, 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 June 30, 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 June 30, 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 \$180,000 and \$187,000 for the three months ended June 30, 2026 and 2025, respectively, and \$288,000 and \$297,000 for the six months ended June 30, 2026 and 2025, respectively

Summary financial information (stated at 100%) of the Atlanta entities as of June 30, 2026, and December 31, 2025, and for the three and six months ended June 30, 2026 and 2025 is as follows (in thousands):

	As of June 30, 2026	As of December 31, 2025
Assets		
Real estate - net	\$ 35,958	\$ 36,636
Cash and cash equivalents	985	790
Restricted cash	864	622
Other assets	3,150	3,260
Total assets	<u>\$ 40,957</u>	<u>\$ 41,308</u>
Liabilities and members' deficit		
Mortgages and other debt	\$ 79,330	\$ 79,330
Other liabilities	1,532	1,403
Members' deficit	(39,905)	(39,425)
Total liabilities and members' deficit	<u>\$ 40,957</u>	<u>\$ 41,308</u>

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	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Statements of Operations				
Revenue	\$ 4,280	\$ 4,157	\$ 8,327	\$ 8,295
Operating expenses	1,013	976	1,877	1,732
General and administrative expenses	296	204	468	384
Depreciation and amortization expense	643	648	1,288	1,291
Interest expense	1,596	1,596	3,175	3,175
Total expenses	3,548	3,424	6,808	6,582
Net income	\$ 732	\$ 733	\$ 1,519	\$ 1,713

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 June 30, 2026 and December 31, 2025, the Louisville JV was owned 65% by CBL and 35% by Horizon Louisville Outlets, LLC (“Horizon Louisville”). At June 30, 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 June 30, 2026 and December 31, 2025, the Louisville JV had a note payable originated by Goldman Sachs with an outstanding principal balance of \$65.0 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 \$223,000 and \$116,000 during the three months ended June 30, 2026 and 2025, respectively, and \$404,000 and \$412,000 during the six months ended June 30, 2026 and 2025, respectively.

Summary financial information (stated at 100%) of the Louisville entities as of June 30, 2026, and December 31, 2025, and for the three and six months ended June 30, 2026 and 2025 is as follows (in thousands):

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	As of June 30, 2026	As of December 31, 2025
Assets		
Real estate - net	\$ 39,934	\$ 39,787
Cash and cash equivalents	880	721
Restricted cash	1,078	1,415
Other assets	2,643	2,654
Total assets	<u>\$ 44,535</u>	<u>\$ 44,577</u>
Liabilities and members' deficit		
Mortgages and other debt	\$ 64,974	\$ 65,313
Other liabilities	1,182	1,064
Members' deficit	(21,621)	(21,800)
Total liabilities and members' deficit	<u>\$ 44,535</u>	<u>\$ 44,577</u>

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Statements of Operations				
Revenue	<u>\$ 3,329</u>	<u>\$ 3,511</u>	<u>\$ 6,487</u>	<u>\$ 6,672</u>
Operating expenses	826	1,184	1,834	2,019
General and administrative expenses	134	161	279	309
Depreciation and amortization expense	721	751	1,413	1,542
Interest expense	1,145	1,157	2,280	2,315
Total expenses	<u>2,826</u>	<u>3,253</u>	<u>5,806</u>	<u>6,185</u>
Net income	<u>\$ 503</u>	<u>\$ 258</u>	<u>\$ 681</u>	<u>\$ 487</u>

Laredo Outlet Shoppes

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 June 30, 2026 and December 31, 2025, Laredo JV is owned 65% by CBL and 35% by Horizon El Portal, LLC (“Horizon El Portal”). At June 30, 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 June 30, 2026 and December 31, 2025, Laredo JV had a construction loan with US Bank with outstanding principal balance of \$30.7 million and \$31.4 million, respectively, secured by the Laredo Center. The loan bears interest at SOFR plus 3.5% and requires monthly principal payments of \$175,000. 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 loan was not repaid in full upon its June 30, 2026 maturity. On August 6, 2026,

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Laredo JV entered into Forbearance and Amendment No. 7 to the construction loan. The amendment acknowledged existing events of default and, subject to specified conditions, provided that the lenders would forbear from exercising default related remedies until the earliest of (i) the occurrence of a forbearance default, (ii) repayment in full of the loan obligations, or (iii) November 30, 2026. As a condition to the amendment, Laredo JV was required to make an \$850,000 principal prepayment. 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. On July 30, 2026 the Company and CBL amended the letter agreement to provide that the Company is solely responsible for funding amounts required to be funded under the Amendment No. 7. Any such amounts funded by the Company are included in the funding period contributions and included in the tiered distribution waterfall. On August 3, 2026, the Company made a capital contribution of \$500,000 to fund Amendment No. 7.

The Company received management, leasing, and similar fees from the Laredo JV that totaled \$64,000 and \$122,000 for the three months ended June 30, 2026 and 2025, respectively, and \$123,000 and \$196,000 for the six months ended June 30, 2026 and 2025, respectively.

Summary financial information (stated at 100%) of the Laredo entities as of June 30, 2026, and December 31, 2025, and for the three and six months ended June 30, 2026 and 2025, is as follows (in thousands):

	As of June 30, 2026	As of December 31, 2025
Assets		
Real estate - net	\$ 33,420	\$ 33,942
Cash and cash equivalents	516	437
Restricted cash	962	1,187
Other assets	1,378	1,642
Total assets	<u>\$ 36,276</u>	<u>\$ 37,208</u>
Liabilities and members' equity		
Mortgages and other debt	\$ 30,680	\$ 31,380
Other liabilities	3,399	3,496
Members' equity	2,197	2,332
Total liabilities and members' equity	<u>\$ 36,276</u>	<u>\$ 37,208</u>

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	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Statements of Operations				
Revenue	\$ 2,086	\$ 1,979	\$ 4,221	\$ 3,990
Operating expenses	1,205	1,049	2,139	1,969
General and administrative expenses	95	101	188	196
Depreciation and amortization expense	408	436	817	879
Interest expense	609	654	1,213	1,316
Total expenses	2,317	2,240	4,357	4,360
Net loss	\$ (231)	\$ (261)	\$ (136)	\$ (370)

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 June 30, 2026 and December 31, 2025, LCO JV is owned 56% by Gary Skoien, 32% by Betty Kimbrew and 12% by the Company.

At June 30, 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 \$49,000 and \$51,000 for the three months ended June 30, 2026 and 2025, respectively, and \$94,000 and \$105,000 for the for the six months ended June 30, 2026 and 2025, respectively.

Summary financial information (stated at 100%) of the LCO JV as of June 30, 2026, and December 31, 2025, and for the three and six months ended June 30, 2026 and 2025:

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	As of June 30, 2026	As of December 31, 2025
Assets		
Real estate - net	\$ 29,691	\$ 29,928
Cash and cash equivalents	235	341
Restricted cash	1,736	1,315
Other assets	2,347	2,930
Total assets	<u>\$ 34,009</u>	<u>\$ 34,514</u>
Liabilities and members' equity		
Mortgages and other debt	\$ 23,163	\$ 23,163
Other liabilities	598	568
Members' equity	10,248	10,783
Total liabilities and members' equity	<u>\$ 34,009</u>	<u>\$ 34,514</u>

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Statements of Operations				
Revenue	<u>\$ 1,326</u>	<u>\$ 1,317</u>	<u>\$ 2,702</u>	<u>\$ 2,624</u>
Operating expenses	573	457	1,139	889
General and administrative expenses	66	60	123	126
Depreciation and amortization expense	360	454	754	932
Interest expense	440	440	875	875
Total expenses	<u>1,439</u>	<u>1,411</u>	<u>2,891</u>	<u>2,822</u>
Net loss	<u>\$ (113)</u>	<u>\$ (94)</u>	<u>\$ (189)</u>	<u>\$ (198)</u>

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 June 30, 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

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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 \$72,000 and \$71,000 for the three months ended June 30, 2026 and 2025, respectively, and \$143,000 and \$147,000 for the six months ended June 30, 2026 and 2025, respectively.

Summary financial information (stated at 100%) of the Outlet at The Dell as of June 30, 2026, and December 31, 2025, and for the three and six months ended June 30, 2026 and 2025, is as follows (in thousands):

	As of June 30, 2026	As of December 31, 2025
Assets		
Real estate - net	\$ 48,521	\$ 49,040
Cash and cash equivalents	435	355
Restricted cash	564	671
Other assets	2,752	3,168
Total assets	<u>\$ 52,272</u>	<u>\$ 53,234</u>
Liabilities and members' equity		
Mortgages and other debt	\$ 36,730	\$ 36,730
Other liabilities	597	1,091
Members' equity	14,945	15,413
Total liabilities and members' equity	<u>\$ 52,272</u>	<u>\$ 53,234</u>

	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Statements of Operations				
Revenue	<u>\$ 1,939</u>	<u>\$ 1,887</u>	<u>\$ 3,890</u>	<u>\$ 3,822</u>
Operating expenses	582	650	1,323	1,351
General and administrative expenses	85	87	167	181
Depreciation and amortization expense	570	641	1,138	1,300
Interest expense	682	682	1,356	1,356
Total expenses	<u>1,919</u>	<u>2,060</u>	<u>3,984</u>	<u>4,188</u>
Net income (loss)	<u>\$ 20</u>	<u>\$ (173)</u>	<u>\$ (94)</u>	<u>\$ (366)</u>

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Note 5 – Mortgages and Other Debt

Total secured indebtedness was \$12.2 million and \$12.3 million at June 30, 2026 and December 31, 2025, respectively. Cash paid for interest for the six months ended June 30, 2026 and 2025, was \$467,000 and \$946,000, respectively, of which \$259,000 and \$594,000, 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 June 30, 2026 and December 31, 2025, PLA owns 11.75%, of El Paso Outparcels, and 100% of Dells TIC.

At June 30, 2026 and December 31, 2025, PL Skoien, owns 4.9167%, of El Paso Outparcels.

At June 30, 2026 and December 31, 2025, Gary Skoien, owns 56% of LCO JV.

At June 30, 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 June 30, 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 June 30, 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 Rumpitz and Andrew Pelmoter, respectively; (3) Horizon Atlanta, - 1.25%, 1.25%, 1.25% and .0375% to Messers Skoien, Rumpitz, Pelmoter and James Harris, respectively, (4) Horizon Louisville, - 1.25%, 1.25%, 1.25% and .0375% to Messers Skoien, Rumpitz, Pelmoter and Harris, respectively, and (5) Horizon El Portal, - 1.52%, 1.52%, 1.22% and .61% to Messers Skoien, Pelmoter, Rumpitz 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 June 30, 2026 and December 31, 2025.

On February 7, 2024, the Company made an unsecured loan to Betty Kimbrow in the amount of \$2.8 million. The related unsecured note payable by Ms. Kimbrow 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. Kimbrow 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 June 30, 2026 and December 31, 2025.

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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 June 30, 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 June 30, 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 June 30, 2026 and December 31, 2025.